STATUTES OF CALIFORNIA

FIRST EXTRAORDINARY SESSION

1971

PROCLAMATION BY THE GOVERNOR

Convening the Legislature in First Extraordinary Session

EXECUTIVE DEPARTMENT, STATE OF CALIFORNIA

PROCLAMATION

WHEREAS, An extraordinary occasion has arisen and now exists requiring that the Legislature of the State of California be convened in extraordinary session;

NOW, THEREFORE, I, Ronald Reagan, Governor of the State of California, by virtue of the power and authority in me vested by Section 3(b) of Article IV of the Constitution of the State of California, do hereby convene the Legislature of the State of California to meet in extraordinary session at Sacramento, California, on the sixth day of December, 1971, at 12:00 o'clock noon of said day for the following purpose and to legislate upon the following subject:

To consider and act upon legislation relative to providing revenues for state government.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this fourth day of December, 1971.

[SEAL]

RONALD REAGAN
Governor of California

Attest: EDMUND G. BROWN, JR.
Secretary of State
By H. P. SULLIVAN
Assistant Secretary of State

EXECUTIVE DEPARTMENT, STATE OF CALIFORNIA

PROCLAMATION

WHEREAS, The Legislature of the State of California has been called in extraordinary session and has convened on December 6, 1971; and

WHEREAS, On account of an extraordinary occasion which has arisen and now exists, it is deemed desirable and necessary to submit additional subjects to the Legislature for consideration;

NOW, THEREFORE, I, Ronald Reagan, Governor of the State of California, by virtue of the power vested in me by law, hereby amend and supplement my proclamation dated December 4, 1971, by adding the following additional purposes thereto, and thereby permitting the Legislature to legislate upon the following subjects, in addition to the subject specified in the original proclamation, to wit:

Item No. 2. To consider and act upon legislation relative to the reapportionment of the Senate and the Assembly.

Item No. 3. To consider and act upon legislation relative to the reapportionment of the state's congressional districts.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this sixth day of December, 1971.

[SEAL]

RONALD REAGAN
Governor of California

Attest: EDMUND G. BROWN, JR.
Secretary of State
By H. P. SULLIVAN
Assistant Secretary of State

CHAPTER 1

An act to amend Section 3248 of the Civil Code, to amend Section 710 of the Code of Civil Procedure, to add Section 20814.5 to the Education Code, to amend Section 3566.3 of the Elections Code, to repeal Chapter 6 (commencing with Section 51030) of Part 1 of Division 1 of Title 5 of, to repeal Sections 16100, 16101, 16102, 16103, 16104, 16105, 16107, 16108, 16109, and 51204 of, to amend and renumber Sections 16106 and 16110 of, to add Sections 16100, 16103, 16104, 16105, 16106, 16107, 16108, 16109, 16110, 16111, 16112, 16113, 16114, 16115, 16116, 16117, 16118, and 65570 to, and to amend Sections 17301.5, 17302.5, 29100.5, 51061, 51243, 51243.5, 51283, and 65563 of, and to amend the heading of Chapter 1 (commencing with Section 16100) of Part 1 of Division 4 of Title 2 of, the Government Code to amend Sections 219, 6051, 6201, 6472, 14103, 17009, 17041, 17042, 17057, 17061, 17112.7, 17123, 17146, 17202, 17203, 17209, 17216, 17216.2, 17235, 17265, 17266, 17335, 17336, 17361, 17415, 17461, 17462, 17502.8, 17503, 17504, 17511, 17512, 17518, 17526, 17527, 17528, 17578, 17651, 17671, 17686, 17689, 17734, 17771, 17772, 17773, 17774, 17776, 17783, 17790, 17791, 17811, 17856, 18001, 18031, 18041, 18052, 18151, 18161, 18181, 18182, 18183, 18184, 18212, 18213, 18217, 18241, 18243, 18244, 18403, 18414, 18416, 18433, 18434, 18435, 18551.1, 18557, 18588, 18602, 18681, 18682, 18685, 18685.4, 18685.7, 19052, 19053, 19053.9, 19268, 19354, 19355.1, 19505, 19506, 19507, 19522,19523, 19526, 19531, 19532, 19539, 23036, 23037, 23038, 23041, 23042, 23151, 23153, 23184, 23186, 23201, 23202, 23222, 23222a, 23223, 23224, 23224.5, 23282, 23332, 23333, 23501, 23701, 23701c, 23701d, 23701f, 23702, 23731, 23732, 23733, 23734, 23734a, 23771, 23775, 23776, 23777, 24343, 24357, 24359, 24422.5, 24452, 24454, 24463, 24486, 24562, 24563, 24668, 24832, 24837, 24901, 24911, 25441, 25563, 25952, 25954, 26073, and 26451.3 of, to amend and renumber Sections 18685.1, 18806, 18807, 18808, 18809, 18810, 18811, 19501, 23735, 23735a, and 23735b of, to add Sections 214.02, 255.3, 255.4, 2611.5, 2615.6, 17035, 17044, 17122.5, 17122.7, 17146.5, 17158, 17204.7, 17211.6, 17211.7, 17214, 17214 1, 17214.2, 17214.3, 17214.4, 17216.1, 17226, 17236, 17689 5, 17763.1, 17774 5, 17775, 17777, 17778, 18152, 18162.5, 18172, 18211, 18218.5, 18242, 18402.9, 18405.1, 18414 5, 18415, 18556, 18591.1, 18681.1, 18681.5, 18685.03, 18685.05, 18685.07, 18685.1, 18685.2, 18685.3, 18685.8, 18687.1, 18697, 18805, 18806, 18807, 18808, 18809, 18810, 18810.5, 18811, 18812, 18813, 18814, 18816, 18816.5, 18822, 18823, 18824, 18825, 18826, 18934, 18936, 19053.1,

19062.12, 19062.13, 19063, 19064, 19082.1, 19290, 19410, 19411, 19413, 19501, 19541, 23701r, 23701s, 23707, 23708, 23709, 23735, 23772, 23774, 23778, 24352 1, 24352.5, 24354.1, 24354.2, 24357.1, 24357.2, 24357 3, 24357.4, 24357.5, 24372, 24378, 24379, 24437, 24438, 24439, 24483.5, 24491.1, 24837.5, 24840, 25402.5, 25444, 25563 1, 25563.2, 25954.5, 25958, and 26131 to, to repeal Sections 2611.5, 2611.6, 17212, 17214, 17216.1, 17226, 17226.5, 17652, 17653, 17654, 17655, 17656, 17657, 17658, 17659, 17660, 17683, 17684, 17685, 17775, 17777, 18152, 18205, 18211, 18242, 18412.5, 18551.2, 18556, 18681.3, 18685.3, 18805, 19053.1, 19062.14, 23731a, 23731b, 23732a, 23732b, 23732c, 23732d, 23732e, 23732f, 23732g, 23732h, 23733a, 23735c, 23772, 23772.5, 23773, 23774, 24355, 24372, 24372.5, and 26131 of, to add Part 1.7 (commencing with Section 7280) to Division 2 of, to add Chapter 2.1 (commencing with Section 17062), Chapter 2.6 (commencing with Section 17069), and Chapter 4.5 (commencing with Section 17490), to Part 10 of Division 2 of, to add Article 3 (commencing with Section 17720) to Chapter 8 of Part 10 of Division 2 of, to add Article 5 (commencing with Section 18491) to Chapter 17 of Part 10 of Division 2 of, and to add Chapter 2.5 (commencing with Section 23400), and Chapter 11.5 (commencing with Section 24580), to Part 11 of Division 2 of, and to repeal Article 4 (commencing with Section 14161) of Chapter 8 of Part 8 of Division 2 of, the Revenue and Taxation Code, and to amend Sections 940, 1110, 1176, and 1585 of, to add Sections 1110.1, 1176.5, 1526.1, 1526.2, 1526.3, and 1526.4 to, and to add Article 7 (commencing with Section 1891) to Chapter 7 of Part 1 of Division 1 of, the Unemployment Insurance Code, and to add Section 10809.5 to the Welfare and Institutions Code, relating to taxation to provide for the financing of state and local government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor December 8, 1971 Filed with Secretary of State December 8, 1971]

I am deleting the $1,000,000 appropriation contained in Section 1 5 (Government Code Section 16100(b) (8)) of Assembly Bill No 1, 1971 First Extraordinary Session

The $1 million appropriation for local planning grants for the purpose of preparing open-space plans is unnecessary The open-space provisions of this act and the reimbursement of local government for the Williamson Land Conservation Act can be accomplished without this appropriation

With the above deletion, I have approved AB 1

RONALD REAGAN, Governor

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

SECTION 1. Section 3248 of the Civil Code is amended to read:

3248 To be approved the payment bond shall be executed

by either two or more good and sufficient sureties or by a corporate surety and shall satisfy all of the following requirements:

(a) Be in a sum not less than that prescribed in the following paragraph which is applicable to the total amount payable:

(1) One-half of the total amount payable by the terms of the contract when the total amount payable does not equal or exceed five million dollars ($5,000,000).

(2) One-fourth of the total amount payable by the terms of the contract when the total amount payable is not less than five million dollars ($5,000,000) and does not exceed ten million dollars ($10,000,000).

(3) If the total amount payable by the terms of the contract exceeds ten million dollars ($10,000,000), a payment bond in the sum of two million five hundred thousand dollars ($2,500,000) is sufficient.

(b) Provide that if the original contractor or his subcontractor fails to pay any of the persons named in Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor that the surety or sureties will pay for the same, in an amount not exceeding the sum specified in the bond, and also, in case suit is brought upon the bond, a reasonable attorney's fee, to be fixed by the court. The original contractor may require of his subcontractors a bond to indemnify the original contractor for any loss sustained by the original contractor because of any default by his subcontractors under this section.

(c) By its terms inure to the benefit of any of the persons named in Section 3181 so as to give a right of action to such persons or their assigns in any suit brought upon the bond.

SEC. 1.01. Section 710 of the Code of Civil Procedure is amended to read:

710. (a) Whenever a judgment for the payment of money is rendered by any court of this state against a defendant to whom money is owing and unpaid by this state or by any county, city and county, city or municipality, quasi-municipality, district or public corporation, the judgment creditor may file a duly authenticated abstract or transcript of such judgment together with an affidavit stating the exact amount then due, owing and unpaid thereon and that he desires to avail himself of the provisions of this section in the manner as follows:

1. If such money, wages or salary is owing and unpaid by

this state to such judgment debtor, said judgment creditor shall file said abstract or transcript and affidavit with the state department, board, office or commission owing such money, wages or salary to said judgment debtor prior to the time such state department, board, office or commission presents the claim of such judgment debtor therefor to the State Controller. Said state department, board, office or commission in presenting such claim of such judgment debtor to said State Controller shall note thereunder the fact of the filing of such abstract or transcript and affidavit and state the amount unpaid on said judgment as shown by said affidavit and shall also note any amounts advanced to the judgment debtor by, or which the judgment debtor owes to, the State of California by reason of advances for expenses or for any other purpose. Thereupon the State Controller, to discharge such claim of such judgment debtor, shall pay into the court which issued such abstract or transcript by his warrant or check payable to said court the whole or such portion of the amount due such judgment debtor on such claim, after deducting from such claim an amount sufficient to reimburse the state department, board, office or commission for any amounts advanced to said judgment debtor or by him owed to the State of California, and after deducting therefrom an amount equal to one-half or such greater portion as is allowed by statute of the United States, of the earnings owing to the judgment debtor for his personal services to the state rendered at any time within 30 days next preceding the filing of such abstract or transcript, as will satisfy in full or to the greatest extent the amount unpaid on said judgment and the balance thereof; if any, to the judgment debtor.

2. If such money, wages or salary is owing and unpaid to such judgment debtor by any county, city and county, city or municipality, quasi-municipality, district or public corporation, said judgment creditor shall file said abstract or transcript and affidavit with the auditor of such county, city and county, city or municipality, quasi-municipality, district or public corporation (and in case there be no auditor then with the official whose duty corresponds to that of auditor). Thereupon said auditor (or other official) to discharge such claim of such judgment debtor shall pay into the court which issued such abstract or transcript by his warrant or check payable to said court the whole or such portion of the amount due on such claim of such judgment debtor, less an amount equal to one-half or such greater portion as is allowed by statute of the United States, of the earnings of the debtor owing by the county, city and county, city, municipality, quasi-municipality, district or public corporation to the judgment debtor for his personal services to such public body rendered at any time within 30 days next preceding the filing

of such abstract or transcript, as will satisfy in full or to the greatest extent the amount unpaid on said judgment and the balance thereof, if any, to the judgment debtor.

(b) The judgment creditor upon filing such abstract or transcript and affidavit shall pay a fee of two dollars and fifty cents ($2.50) to the person or agency with whom the same is filed.

(c) Whenever a court receives any money hereunder, it shall pay as much thereof as is not exempt from execution under this code to the judgment creditor and the balance thereof, if any, to the judgment debtor. The procedure for determining the claim of exemption shall be governed by the procedure set forth in Section 690.50 of this code, and the court rendering the judgment shall be considered the levying officer for the purpose of that section.

(d) In the event the moneys owing to a judgment debtor by any governmental agency mentioned in this section are owing by reason of an award made in a condemnation proceeding brought by the governmental agency, such governmental agency may pay the amount of the award to the clerk of the court in which such condemnation proceeding was tried, and shall file therewith the abstract or transcript of judgment and the affidavit filed with it by the judgment creditor. Such payment into court shall constitute payment of the condemnation award within the meaning of Section 1251 of this code. Upon such payment into court and the filing with the county clerk of such abstract or transcript of judgment and affidavit, the county clerk shall notify by mail, through their attorneys, if any, all parties interested in said award of the time and place at which the court which tried the condemnation proceeding will determine the conflicting claims to said award. At said time and place the court shall make such determination and order the distribution of the money held by the county clerk in accordance therewith.

(e) The judgment creditor may state in the affidavit any fact or facts tending to establish the identity of the judgment debtor. No public officer or employee shall be liable for failure to perform any duty imposed by this section unless sufficient information is furnished by the abstract or transcript together with the affidavit to enable him in the exercise of reasonable diligence to ascertain such identity therefrom and from the papers and records on file in the office in which he works. The word "office" as used herein does not include any branch or subordinate office located in a different city.

(f) Nothing in this section shall authorize the filing of any abstract or transcript and affidavit against: (1) any wages, or salary owing to the Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, and Attorney

General, or (2) any overpayment of tax, penalty or interest, or interest allowable with respect to such overpayment, under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code.

(g) Any fees received by a state agency under this section shall be deposited to the credit of the fund from which payments were, or would be, made on account of a garnishment under this section. For the purpose of this paragraph, payments from the State Pay Roll Revolving Fund shall be deemed payments made from the fund out of which moneys to meet such payments were transferred to said revolving fund.

(h) (1) In the event the moneys owing to a judgment debtor by any governmental agency mentioned in this section are for wages or salary, the judgment creditor shall mail under a separate cover at the time of filing the affidavit with the governmental agency, in an envelope marked "Personal and Confidential", a copy of the affidavit and a Notice to Judgment Debtor as provided in paragraph (2) of this subdivision, addressed to the judgment debtor at his place of employment.

(2) The Notice to Judgment Debtor shall be in 10-point bold type, and in substantially the following form:

You may be entitled to file a claim exempting your salary or wages from execution. You may seek the advice of any attorney or may, within 10 days from the date your salary or wages were levied upon, deliver an affidavit to the court rendering the judgment to exempt such salary or wages, as provided in Section 690.50 of the Code of Civil Procedure.

SEC. 1.02. Section 20814.5 is added to the Education Code, to read:

20814.5. For the purpose of preserving open-space lands, school districts are authorized to levy a "revenue factor adjustment" tax, which shall be such amount as will produce the amount of revenue which would be produced if the tax rate specified in Section 16113 of the Government Code had been applied to the open-space adjustment determined pursuant to Section 16114 of such code, less the difference between the amount of basic aid, equalization aid, and supplemental support computed for the district and the amount of basic aid, equalization aid, and supplemental support which would have been computed for the district if the assessed valuation had been equivalent to the adjusted assessed valuation determined pursuant to Section 16114; provided, however, that such "revenue factor adjustment" tax shall not exceed three cents ($0.03) for each one hundred dollars ($100) of assessed valuation.

SEC. 1.03. Section 3566.3 of the Elections Code is

amended to read:

3566.3. Whenever any measure qualifies for a place on the ballot the Secretary of State shall transmit a copy of the measure to the Legislative Analyst. The Legislative Analyst shall prepare an impartial financial analysis of the measure, which shall include the amount of any increase or decrease in revenue and/or to state and/or local government. The analysis shall be made of the measure as it is proposed to be adopted, without further implementing legislation, unless such implementing legislation has been enacted and will become effective by reason of the adoption of the measure by the voters. The analysis shall fairly portray the fiscal effects of the measure for the first full year of implementation and the first year when the last provisions to be implemented are fully effective. The title of the measure which appears on the ballot shall be amended to contain a summary of the Legislative Analyst's estimate of the net state and local government financial impact. The Legislative Analyst shall consult with the Director of Finance and the Chairmen of the Committees on Revenue and Taxation of the Senate and of the Assembly, or their designees, in preparing the financial analysis. For purposes of this section, any measure which has no provisions which are self-executing shall be deemed to have no financial effect, unless implementing legislation has been enacted which will become effective by reason of the adoption of the measure by the voters. The analysis shall be printed in the ballot pamphlet alongside the Legislative Counsel's detailed analysis and shall not exceed 750 words.

SEC. 1.1. Section 15702.1 is added to the Government Code, to read:

15702.1. The Franchise Tax Board is authorized to delegate to the Department of Human Resources Development which is authorized to accept, exercise, and perform, the powers and duties necessary to administer the reporting, collection, refunding, and enforcement of taxes required to be withheld by employers under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code. The Franchise Tax Board is authorized to delegate to the California Unemployment Insurance Appeals Board which is authorized to accept, exercise, and perform, under rules it adopts, the powers and duties to administer appeals and petitions relating to such provisions of Part 10. The delegation to the Department of Human Resources Development shall not, however, include the power and duty of the Franchise Tax Board to adopt rules and regulations.

SEC. 1.3. The heading of Chapter 1 (commencing with Section 16100) of Part 1 of Division 4 of Title 2 of the Government Code is amended to read:

CHAPTER 1. PROPERTY TAX RELIEF

SEC. 1.4. Section 16100 of the Government Code is repealed.

SEC. 1.5. Section 16100 is added to the Government Code, to read:

16100. (a) There is hereby continuously appropriated to the Controller from the State General Fund a sum sufficient to make the payments required by this chapter.

(b) Out of the sum appropriated by subdivision (a), there shall be allocated by the Controller during the 1971–1972 fiscal year the following amounts:

(1) To the State Controller, one hundred ninety-one thousand dollars ($191,000).

(2) To the Department of General Services, six hundred thousand dollars ($600,000).

(3) To the Franchise Tax Board, five million five hundred eleven thousand dollars ($5,511,000); provided, however, that out of such amount, a sum not to exceed two million two hundred twenty thousand dollars ($2,220,000) may be expended under contract with the Department of Human Resources Development.

(4) To the office of the State Treasurer, twenty-four thousand dollars ($24,000).

(5) To the Department of Justice, sixty thousand dollars ($60,000) or so much thereof as may be necessary for the expenses of such department to carry out its duties related to this act and to the Federal Tax Reform Act of 1969.

(6) To the Department of Finance, two thousand dollars ($2,000).

(7) To the Secretary of the Resources Agency, ten thousand dollars ($10,000).

(8) To the State Office of Planning and Research, one million dollars ($1,000,000) to be used for grants to local government for the purpose of preparing open-space plans pursuant to Article 10.5 (commencing with Section 65560) of Chapter 3 of Title 7 of this code. In addition, the office may grant such funds to, or for purposes of contracting with, other state agencies or bodies for research on open-space and land resource conservation planning.

All allocations made under this subdivision shall be transferred to, and be in augmentation of, the respective 1971–1972 fiscal year support budgets of such departments.

(c) Notwithstanding the provisions of subdivision (b), all allocations made pursuant to such subdivision shall only be expended with the prior approval of the Department of Finance. In addition, the department shall submit a report to the Joint Legislative Budget Committee in a timely manner of the actual allocation of funds under subdivision (b)

SEC. 1.6. Section 16101 of the Government Code is repealed.

SEC. 1.7. Section 16102 of the Government Code is repealed.

SEC. 1.8. Section 16103 of the Government Code is repealed.

SEC. 1.9. Section 16104 of the Government Code is repealed.

SEC. 2. Section 16105 of the Government Code is repealed.

SEC. 2.3. Section 16106 of the Government Code is amended and renumbered to read:

16101. It is the purpose of this chapter to provide replacement revenues to local government by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) open-space lands under Sections 423 and 423.5; and (4) livestock under Section 5523.

SEC. 2.4. Section 16107 of the Government Code is repealed.

SEC. 2.5. Section 16108 of the Government Code is repealed.

SEC. 2.6. Section 16109 of the Government Code is repealed.

SEC. 2.7. Section 16110 of the Government Code is amended and renumbered to read:

16102. (a) Out of the amount appropriated to the Controller from the State General Fund by Section 16100 so much as may be necessary shall be allocated in accordance with the terms and conditions set forth in this section to local taxing authorities which have lost revenue by reason of the operation of Section 988 of the Revenue and Taxation Code.

(b) Upon, and only upon, application by a local taxing authority, the Controller shall determine the loss occasioned by the operation of Section 988 of the Revenue and Taxation Code by multiplying the current tax rate of the local entity times each one hundred dollars ($100) of assessed valuation attributable to motion pictures, including the negatives and prints thereof, and taxable by such local entity and shall pay to the claimant the amount so computed, provided the assessed valuation upon which the loss is determined is in excess of five thousand dollars ($5,000) and the amount of tax loss is one hundred dollars ($100) or more.

(c) For the purposes of the computation under subdivision (b) of this section, the assessed valuation of motion pictures, including the negatives and prints thereof, taxable by any claimant local entity shall be the average assessed value of

such property which was taxable by such local entity during the four-year period including and ending with the 1968–1969 fiscal year.

(d) Application for the replacement revenues shall be made on or before September 15th with respect to losses to be occasioned in the fiscal year and payments shall be made on or before November 1st of the same calendar year.

SEC. 2.8. Section 16103 is added to the Government Code, to read:

16103. (a) Each county auditor shall file a claim with the Controller on or before the last day of August of each year for reimbursement to local governmental agencies for the tax loss attributable to property on the unsecured roll by reason of a partial exemption for business inventories provided for in Section 219 of the Revenue and Taxation Code.

(b) Each county auditor shall file a claim with the Controller on or before October 31st of each fiscal year for reimbursement to local governmental agencies for the tax loss attributable to property on the secured roll by reason of the partial exemption for business inventories provided for in Section 219 of the Revenue and Taxation Code.

(c) Each county auditor shall file a claim with the Controller on or before March 31st for tax losses attributable to Sections 219 and 5523 of the Revenue and Taxation Code on taxes delinquent on February 15th, and shall file a claim on or before August 31st for tax losses attributable to such sections on taxes delinquent on August 15th.

SEC. 2.9. Section 16104 is added to the Government Code, to read:

16104. For the 1971–1972 fiscal year and each fiscal year thereafter, the Controller shall make, or may request the State Board of Equalization to make, such audits of claims submitted pursuant to Section 16103 as he deems appropriate. There shall be deducted from the payment to the county provided by Section 16105 for the following fiscal year:

(a) The amount claimed which is attributable to the overassessment of inventories; and

(b) The fund allocated pursuant to Section 16105 for inventories which are subsequently found to be misclassified as inventories by the assessor, the Controller, or by the State Board of Equalization.

SEC. 3. Section 16105 is added to the Government Code, to read:

16105. (a) Out of the amount appropriated by Section 16100, the Controller shall pay on or before September 15th of each year to each county auditor the amount claimed under subdivision (a) of Section 16103 and the amounts claimed by August 31st under subdivision (c) of Section 16103.

(b) Out of the amount appropriated by Section 16100, the

Controller shall pay on or before December 30th of each year to the county auditor one-half of the amount claimed under subdivision (b) of Section 16103 and shall pay the other one-half so claimed on or before April 30th. The amount claimed by March 31st under subdivision (c) of Section 16103 shall be paid on or before April 30th.

SEC. 3.1. Section 16106 is added to the Government Code, to read:

16106. (a) Out of the amount appropriated by Section 16100, the Controller shall pay during the 1971–72 fiscal year to each county auditor the amount specified for such county in Section 1 of Chapter 520 of the Statutes of the 1971 Regular Session of the Legislature.

(b) For the 1971–1972 fiscal year only, each county and city and county shall submit to the Controller on or before April 30, 1972, in such form as the Controller shall direct, a statement of loss as is required by subdivisions (a), (b) and (c) of Section 16103. To the extent that the total loss so computed exceeds the amount otherwise paid to such county or city and county by the state during the 1971–1972 fiscal year to compensate for revenues lost by reason of the partial exemption for business inventories, the Controller shall pay to such county or city and county the amount of such excess from the amount appropriated by Section 16100. The Controller shall deduct from payments to the counties pursuant to this chapter for the fiscal year 1971–1972 any excess amount over the actual loss attributable to the partial exemption for business inventories provided in Section 219 of the Revenue and Taxation Code which was paid to the counties in the 1970–1971 fiscal year. The counties shall furnish the Controller such information as he may require to determine such overpayment.

(c) All money in the Property Tax Relief Fund on the effective date of this section shall be transferred to the State General Fund.

SEC. 3.2. Section 16107 is added to the Government Code, to read:

16107. The Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16100, to each eligible county, city, or city and county the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423 or 423.5 of the Revenue and Taxation Code:

(a) Three dollars ($3) for prime agricultural land as defined in Section 51201 of this code which is:

(1) Within an incorporated city,

(2) Within three miles of the boundaries of an incorporated city with more than 1,500 registered voters, or

(3) Within one mile of the center of an incorporated city

with less than 1,500 registered voters.

(b) One dollar and fifty cents ($1.50) for all other prime agricultural land,

(c) Fifty cents ($0.50) for all land other than prime agricultural land which is devoted to open-space uses of statewide significance defined in Section 16108.

SEC. 3.3. Section 16108 is added to the Government Code, to read:

16108. Land shall be deemed to be devoted to open-space uses of statewide significance if it:

(a) Could be developed as prime agricultural land, or

(b) Is open-space land as defined in Section 65560 which constitutes a resource whose preservation is of more than local importance for ecological, economic, educational, or other purposes. The Secretary of the Resources Agency, hereinafter referred to as the office, shall be the final judge of whether the land is in fact devoted to open-space use of statewide significance.

SEC. 3.4. Section 16109 is added to the Government Code, to read:

16109. On or before October 31, 1972, and annually thereafter, the governing body of each county, city, or city and county shall submit a report to the office itemizing the number of acres of land under its regulatory jurisdiction which it believes to be qualified for state payments pursuant to the various categories enumerated in Section 16107, together with such supporting documentation as the office by regulation may require. The office, after reviewing the report and determining the eligibility of the local entity to receive payment and the actual amount to which it is entitled, shall certify that amount to the Controller for payment, and the Controller shall make such payment by December 31, 1972, and annually thereafter.

The office may make such supplemental reports to the Controller as it deems necessary throughout the year to give effect to new or additional information received from local governing bodies, correct errors, and dispose of contested or conditional situations. Upon receiving such reports, the Controller shall pay any amount certified therein, and may withhold and deduct any certified overpayment from the amount that would otherwise be paid to the jurisdiction in question in the next succeeding year.

SEC. 3.5. Section 16110 is added to the Government Code, to read:

16110. Funds received by local governments pursuant to the open-space provisions of this chapter may be used for county, city, or city and county purposes, as the case may be, or may, but need not necessarily, be used for purposes of general interest and benefit to the state. The use of such funds

shall include administration, supervision, and enforcement of any open-space program under which a local government receives such funds. Such funds may also include an allocation of all or part of them to any special district or school district existing within boundaries of a local government in which land is assessed pursuant to Section 423 or 423.5 of the Revenue and Taxation Code, and which has thereby suffered a reduction in its assessed valuation, when the local governing body determines:

(a) That the loss of assessed value is substantial and will have an adverse effect upon programs of public importance carried on by the district.

(b) The benefits flowing from the restrictions on the use of land within the district do not accrue solely or primarily to landowners or residents within the districts.

(c) That the taxes collected by the district are not devoted to expenditures primarily of benefit to land or landowners within the district.

Any special district or school district may make application for an allocation of such funds from the local government in the form and with such supporting evidence as the governing board of the local government may require. Such governing board may also adopt such uniform standards as it believes necessary to determine the amount and method of payment of such assistance, and may provide for such payments to be reduced annually, according to a schedule, so as to cease financial assistance over a specified period of years. However, nothing herein shall be construed as requiring the governing board of the local government to make any allocation to any special district, or school district, and the governing board of such local government shall be the sole judge of the entitlement of any special district or school district to any allocation, and to the amount of such allocation if granted.

SEC. 3.6. Section 16111 is added to the Government Code, to read:

16111. The office may determine, after notice and hearing, that a local governing body is ineligible to receive state payments pursuant to this article by reason of its failure to comply with the provision of Article 10.5 (commencing with Section 65560) of Chapter 3 of Title 7 of this code, or with the provisions of any program which establishes an enforceable restriction upon which the assessment of land within its jurisdiction pursuant to Section 423 or 423.5 of the Revenue and Taxation Code is based. This section shall not be construed to require the disqualification of any land from assessment pursuant to Section 423 or 423.5 of the Revenue and Taxation Code as a consequence of any determination of ineligibility by the board.

SEC. 3.7. Section 16112 is added to the Government Code,

to read:

16112. The office may request the Attorney General to bring any action in court necessary to enforce any enforceable restriction as defined in Section 422 of the Revenue and Taxation Code, upon land for which the board has certified payment of state funds to the local governing body during the current or last preceding fiscal year. Such action may include, but is not limited to, an action to enforce the contract by specific performance or injunction.

SEC. 3.8. Section 16113 is added to the Government Code, to read:

16113. The Superintendent of Public Instruction shall determine the amount by which the school district tax rate for general fund purposes for each school district in which land assessed pursuant to Section 423 or 423.5 of the Revenue and Taxation Code is situated exceeds:

(a) Two dollars ($2) for each elementary district.

(b) One dollar and ten cents ($1.10) for each high school district.

(c) Three dollars and ten cents ($3.10) for each unified district maintaining grades kindergarten through 12.

(d) Three dollars and thirty-five cents ($3.35) for each unified district maintaining grades kindergarten through 14.

(e) Twenty-five cents ($0.25) for each community college district.

The Superintendent of Public Instruction shall then determine the product of such amount multiplied by the open-space adjustment determined pursuant to Section 16114

SEC. 3.9. Section 16114 is added to the Government Code, to read:

16114. On or before October 31, 1972, and on or before the last day of October of each year thereafter, the assessor shall report the open-space adjustment for each school district located in the county to the Controller and to the Superintendent of Public Instruction. The open-space adjustment shall be calculated by determining the difference between:

(a) The adjusted assessed value of all land in the district in the base year, which shall be the last assessment year prior to the application of Section 423 or 423.5 of the Revenue and Taxation Code to any land within the district, and

(b) The assessed value of land within the district for the current assessment year.

For the purposes of subdivision (a), "adjusted assessed value" shall be computed by factoring the actual assessed value of land in the district in the base year by the percentage by which the gross assessed value of land on the local roll outside of municipalities without deductions for any exemptions in the state has increased from the base year to

the current assessment year. The Controller shall announce the factors to be used by the assessors on or before October 15th of each year.

If the value of land within the district for the current assessment year is greater than the adjusted assessed value of the base year, there shall be no reimbursement.

SEC. 4. Section 16115 is added to the Government Code, to read:

16115. A basic aid school district shall not receive any assistance under the provisions of this article if its actual assessed value per pupil is greater than the product of the base year (as defined in subdivision (a) of Section 16114) assessed value per pupil times the percentage which the current cost of education per pupil in the state for the current year is of the current cost of education per pupil in the state for the base year.

SEC. 4.1. Section 16116 is added to the Government Code, to read:

16116. The Superintendent of Public Instruction shall apportion and allow to each eligible school district the amount derived pursuant to Section 16113 as part of the second principal apportionment.

SEC. 4.3. Section 16117 is added to the Government Code, to read:

16117. The other provisions of this chapter notwithstanding, no city, county, city and county, or school district shall receive more money by reason of the funds provided for in the open-space provisions of this chapter than such governmental entity might have received had no property in the entity been assessed pursuant to Sections 423 and 423.5 of the Revenue and Taxation Code. This determination shall be made by:

(a) Multiplying the last unrestricted assessed value of each parcel now subject to assessment under Sections 423 or 423.5 of the Revenue and Taxation Code by the percentages which the current gross assessed value of all land on the local roll outside municipalities without deduction for exemption in the state is of the gross assessed value of all land on the local roll outside municipalities without deduction for exemption in the state for the last year in which the parcel was not so restricted;

(b) Subtracting the current assessed value for the parcel from the figure derived pursuant to subdivision (a);

(c) Calculating the total of all differences determined pursuant to subdivision (b) for land under control of, or, in the case of cities and school districts, within the boundaries of, the entity in question; and

(d) Multiplying the total derived under subdivision (c) by the tax rate for the current year of the entity in question.

SEC. 4.4. Section 16118 is added to the Government Code, to read:

16118. Notwithstanding any other provision of this chapter, state disbursements under this chapter by reason of property assessed pursuant to Sections 423 and 423.5 of the Revenue and Taxation Code shall not exceed thirteen million dollars ($13,000,000) in the 1972–1973 fiscal year, fifteen million dollars ($15,000,000) in the 1973–1974 fiscal year, and seventeen million dollars ($17,000,000) in the 1974–1975 fiscal year. In the 1975–1976 fiscal year, state disbursements shall not exceed 115 percent of the state disbursements in the 1974–1975 fiscal year. The amounts provided for in this section may be exceeded by any amounts deposited in the State General Fund under Sections 51061 and 51283.

If claims by local governmental agencies exceed the limitation of this section, reductions in state disbursements shall be made on a pro rata per acre basis, first on funds allocated on nonprime lands, and second on funds to local governments on prime lands, and third to school district disbursements.

The office shall report to the Legislature on the impact of the expiration of the fiscal limitations in this section. A final report shall be submitted to the Legislature by April 1, 1973, in order that the Legislature can evaluate its fiscal commitment to this program for future years.

SEC. 4.5. Section 17301.5 of the Government Code is amended to read:

17301.5. Notwithstanding the provisions of Section 17301, no notes may be issued under this chapter after March 31, 1972.

SEC. 4.6. Section 17302.5 of the Government Code is amended to read:

17302.5. Notwithstanding the provisions of Section 17302, all notes issued under this chapter shall be redeemed and paid by June 30, 1972.

SEC. 4.7. Section 29100.5 of the Government Code is amended to read:

29100.5. At the time the rate of tax is fixed, counties, cities, school districts and special districts shall not take into account the exemption provided for in Section 219 of the Revenue and Taxation Code, whether such property appears on the secured or unsecured roll. On or before September 15th of each year, the auditor shall compute for each city, district and revenue district wholly or partially within the county which levies taxes on property, the amount of revenue lost by reason of the partial exemption of business inventories based on the assessed value of the exempt property reported by the county assessor pursuant to Section 219 and the tax rate applicable to such property attributable to the city, district and revenue

district for the fiscal year. The auditor shall compute for each city and school district the amount of revenue lost by reason of the partial exemption from the tax imposed on livestock under Section 5523 of the Revenue and Taxation Code.

The auditor shall allocate to each such city, district and revenue district funds received from the Controller for their losses under Section 16105 within 10 days of the receipt of such funds.

SEC. 4.75. Chapter 6 (commencing with Section 51030) of Part 1 of Division 1 of Title 5 of the Government Code is repealed.

SEC. 4.8. Section 51061 of the Government Code is amended to read:

51061. The governing body of any city or county at any time may, by resolution, abandon an open-space easement, if it finds that no public purpose described in subdivision (b) of Section 51056 will be served any longer by keeping the land as open space. No resolution abandoning an open-space easement shall be finally adopted until the matter has been referred to the city or county planning commission, the commission has held a public hearing thereon and furnished a report on the matter to the governing body and the governing body has held at least one public hearing thereon after giving 30 days notice thereof by publication in accordance with Section 6061, and by posting notice on the land.

Prior to approval of the resolution abandoning an open-space easement, the governing body shall direct the county assessor to assess the land, as if the easement did not exist, and to report such new assessed value to the governing body. As a condition of the abandonment of the easement, the owner shall pay to the county or city an amount equal to 50 percent of the new assessed value of the land; provided, however, that the governing body may waive all or any portion of such payment, if it finds that it is consistent with the public interest to do so, and if the waiver is approved by the Secretary of the Resources Agency. Any such payment not waived shall be considered deferred taxes, and a sum equal to the sum actually collected shall be transmitted by the treasurer of the county or city to the State Controller and be deposited in the State General Fund.

SEC. 4.9. Section 51204 of the Government Code is repealed.

SEC. 4.95. Section 51243 of the Government Code is amended to read:

51243. Every such contract shall:

(a) Provide for the exclusion of uses other than agricultural, and other than those compatible with agricultural uses, for the duration of the contract.

(b) Shall be binding upon, and inure to the benefit of, all successors in interest of the owner. Whenever land under a contract is divided, the owner of any parcel may exercise, independent of any other owner of a portion of the divided land, any of the rights of the owner in the original contract, including the right to give notice of nonrenewal and to petition for cancellation The effect of any such action by the owner of a parcel created by the division of land under contract shall not be imputed to the owners of the remaining parcels and shall have no effect on the contract as it applies to the remaining parcels of the divided land. On the annexation by a city of any land under contract with a county, the city shall succeed to all rights, duties and powers of the county under such contract, unless the land being annexed was within one mile of such city at the time that the contract was initially executed, the city has filed and the local agency formation commission has approved a protest to the contract pursuant to Section 51243.5, and the city states its intent not to succeed in its resolution of intention to annex. If the city does not exercise its option to succeed, the contract becomes null and void as to the land actually being annexed on the date of annexation. In the event that only part of the land under contract was within one mile of the city the option of the city shall extend only to such part.

SEC. 5. Section 51243.5 of the Government Code is amended to read:

51243.5. The clerk of the board of supervisors shall give written notice to any city within the county of its intention to consider a contract which includes land within one mile of the exterior boundaries of that city. Such notice shall be given at least 30 days prior to the time the board of supervisors intends to consider the execution of such a contract. If such city files with the local agency formation commission a resolution protesting the execution of a contract which includes land within one mile of the exterior boundaries of the city, and the commission, following a hearing, upholds the protest upon a finding that the contract is inconsistent with the publicly desirable future use and control of the land in question, then, should the board of supervisors execute such a contract, the city shall have the option provided for in subdivision (b) of Section 51243 of not succeeding to the contract upon annexation of the land to the city

SEC. 5.3. Section 51283 of the Government Code is amended to read:

51283. (a) Prior to any action by the board or council giving tentative approval to the cancellation of any contract, the county assessor of the county in which the land is located shall determine the full cash value of the land as though it were free of the contractual restriction. The assessor shall

multiply such value by the most recent county ratio announced pursuant to Section 401 of the Revenue and Taxation Code, and shall certify the product to the board or council as the cancellation valuation of the land for the purpose of determining the cancellation fee.

(b) Prior to giving tentative approval to the cancellation of any contract the board or council shall determine and certify to the county auditor the amount of the cancellation fee which the landowner must pay the county treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 50 percent of the cancellation valuation of the property; provided, however, if after the date the contract was initially entered into the publicly announced county ratio of assessed to full cash value is changed, the percentage payment in this subdivision shall be changed so no greater percentage of full cash value will be paid than would have been paid had there been no change in ratio.

(c) If they find that it is in the public interest to do so the board or council may waive any such payment or any portion thereof, or may make such payment or a portion thereof contingent upon the future use made of the land and its economic return to the landowner for a period of time not to exceed the unexpired period of the contract, had it not been canceled, provided:

(1) The cancellation is caused by an involuntary transfer or change in the use which may be made of the land and the land is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to the owner;

(2) The board or council has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or not required; and

(3) The waiver is approved by the State Office of Planning and Research.

(d) When deferred taxes required by this section are collected, they shall be transmitted by the county treasurer to the State Controller and be deposited in the State General Fund.

SEC. 5.4. Section 65563 of the Government Code is amended to read:

65563. Every city and county shall, by June 30, 1973, prepare, adopt and submit to the Secretary of the Resources Agency a local open-space plan for the comprehensive and long-range preservation and conservation of open-space land within its jurisdiction.

SEC. 5.5. Section 65570 is added to the Government Code, to read:

65570. (a) The State Office of Planning and Research shall prepare an inventory of present and potential prime

agricultural land resources in California, together with estimates of the amounts of such land that should be preserved during the following decade in order to carry out the purposes of Section 51220 of this code. Such inventory shall also include, but is not limited to, the various types and uses of prime agricultural land, the identification of critical uses or specific areas of statewide importance, and estimates of the amounts of prime or potentially prime land within each city or county that may require preservation.

(b) The State Office of Planning and Research may establish, after notice and hearing, rules and regulations, and require reports from local officials and may employ, borrow, or contract for such staff or other forms of assistance as are reasonably necessary to carry out the provisions of Sections 16107 to 16118, inclusive, of this code.

SEC. 5.55. Section 214.02 is added to the Revenue and Taxation Code, to read:

214.02. Property used exclusively for the preservation of native plants or animals, or biotic communities, or geological or geographical formations of scientific or educational interest, or open-space lands used solely for recreation and for the enjoyment of scenic beauty, and which property is open to the general public subject to reasonable restrictions concerning the needs of the land and is owned and operated by a scientific or charitable fund, foundation or corporation, the primary interest of which is to preserve such natural areas, and which meets all the requirements of this section, shall be deemed to be within the exemption provided for in Section 1c of Article XIII of the Constitution of the State of California and Section 214.

SEC. 5.6. Section 219 of the Revenue and Taxation Code is amended to read:

219. Business inventories shall be assessed for taxation at the same ratio of assessed to full cash value as the ratio specified in Section 401. After such property has been so assessed, 30 percent of the assessed value of such property shall be exempt from taxation for the 1970–1971 and the 1971–1972 fiscal years, and fiscal years thereafter, and such exemption shall be indicated on the assessment roll. The county assessor shall notify the auditor of the total assessed value of the exempt property within each city, district and revenue district wholly or partially within the county. The exemption provided for in this section shall not apply to business inventories assessed as escaped property under the provisions of Sections 531.3, 531.4 or 531.5. The board shall prescribe all procedures and forms required to carry this exemption into effect and to insure accurate data for reimbursement calculations.

In carrying out the duties imposed by this section, the board

shall certify to the auditor of each county in which is located a chartered city which assesses property for city tax purposes, the ratio which the auditor shall use to factor the county roll in order to compute the amount of such city's reimbursement. The ratio certified shall be the same ratio used by the board in connection with public utility property on the board roll.

Where a city transfers the assessing and tax-collecting functions to the county but continues to assess and collect unsecured taxes for one additional year, the county auditor, in computing the city's reimbursement for the business inventory exemption, shall factor the exempt inventory value on the county unsecured roll with tax situs in the city by the ratio used by the board in the prior year in preparing the board roll for the city.

SEC. 5.7. Section 255.3 is added to the Revenue and Taxation Code, to read:

255.3. County assessors shall each year before the lien date mail a claim form for the homeowners' exemption to all homeowners who received the exemption in the prior year, except where the prior recipient has transferred title in the property since the prior lien date. A claim form shall also be sent to all persons acquiring title and who are owners of record to an eligible dwelling after the prior lien date, and prior to January 1st of the calendar year of the claim.

SEC. 5.8. Section 255.4 is added to the Revenue and Taxation Code, to read:

255.4. (a) The claim form required to be sent to homeowners by Section 255.3 shall be accompanied by a notice to read as follows:

"ATTENTION HOMEOWNERS OVER 62

"You may be eligible for additional property tax relief.

"Under the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Relief Act funded at the 1971 Regular Session of the Legislature, homeowners 62 years of age or older with incomes of $10,000 or less are eligible for a state refund of part of their property taxes. This relief is available for the taxes you have paid last December and this April.

"This refund will afford you an additional and substantial reduction in your property taxes.

"For further information, contact the office of the Franchise Tax Board in your area."

(b) Each county shall insert in the notice required by subdivision (a) the address and telephone number of the Franchise Tax Board office in, or nearest to, the county.

SEC. 5.9. Section 2611.5 of the Revenue and Taxation Code is repealed.

SEC. 6. Section 2611.5 is added to the Revenue and Taxation Code, to read:

2611.5. (a) The following information shall be included either in each county tax bill or in a separate statement accompanying the tax bill:

(1) The full cash value and the assessed value of locally assessed property;

(2) The assessment ratio used to determine the assessed value; and

(3) The tax rates or the dollar amounts of taxes levied by each revenue district and taxing agency on the property covered by the tax bill.

(4) In lieu of itemizing the information required by paragraph (3), the tax rates or dollar amounts of taxes levied on the property covered by the bill for county, city, and education purposes. The tax rates or dollar amounts of taxes levied on the property for other purposes shall be itemized.

(b) With respect to any property for which the homeowners' property tax exemption is granted, the tax bill or accompanying statement shall include, in addition to the information required by subdivision (a), the following:

(1) The assessed value of the property;

(2) The amount of the homeowners' exemption;

(3) The total tax rate applicable on the property covered by the tax bill;

(4) The gross taxes prior to the application of the homeowners' exemption;

(5) The amount of tax reduction attributable to the homeowners' exemption; and

(6) The total taxes due on the property covered by the tax bill.

(c) The information required by subdivision (b) for single-family homes shall be in the form of the following example:

(1) Assessed value of the property	$5,000
(2) Homeowners' exemption	$750
(3) Total tax rate applicable to the property	$10
(4) Gross taxes prior to the application of the homeowners' exemption	$500
(5) Tax reduction attributable to the state-financed homeowners' property tax relief program	$75
(6) Total taxes due	$425

SEC. 7. Section 2611.6 of the Revenue and Taxation Code is repealed.

SEC. 7.3. Section 2615.6 is added to the Revenue and Taxation Code, to read:

2615.6. (a) When the county sends to any person a tax bill, it shall be accompanied by a notice to read as follows:

"ATTENTION HOMEOWNERS OVER 62

"You may be eligible for additional property tax relief.

"Under the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Relief Act funded at the 1971 Regular Session of the Legislature, homeowners 62 years of age or older with incomes of $10,000 or less are eligible for a state refund of part of their property taxes. This relief is available for the taxes you paid in December and in April.

"This refund will afford you an additional and substantial reduction in your property taxes. You may file for this property tax relief on or after May 15th and claims will be paid on or after July 1st.

"For further information, contact the office of the Franchise Tax Board in your area."

(b) Each county shall insert in the notice required by subdivision (a) the address and telephone number of the Franchise Tax Board office in, or nearest to, the county.

SEC. 7.5. Section 6051 of the Revenue and Taxation Code is amended to read:

6051. For the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers at the rate of 2½ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this state on or after August 1, 1933, and to and including June 30, 1935, and at the rate of 3 percent thereafter, and at the rate of 2½ percent on and after July 1, 1943, and to and including June 30, 1949, and at the rate of 3 percent on and after July 1, 1949, and to and including July 31, 1967, and at the rate of 4 percent on and after August 1, 1967, and to and including June 30, 1972, and at the rate of 3¾ percent on and after July 1, 1972, and to and including December 31, 1974, and at the rate of 3¼ percent on and after January 1, 1975, and to and including December 31, 1975, and at the rate of 3¾ percent thereafter.

SEC. 8. Section 6201 of the Revenue and Taxation Code is amended to read:

6201. An excise tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer on or after July 1, 1935, for storage, use, or other consumption in this state at the rate of 3 percent of the sales price of the property, and at the rate of 2½ percent on and after July 1, 1943, and to and including June 30, 1949, and at the rate of 3 percent on and after July 1, 1949, and to and including July 31, 1967, and at the rate of 4 percent on and after August 1, 1967, and to and including June 30, 1972, and at the rate of 3¾ percent on and after July 1, 1972, and to and including December 31, 1974, and at the

rate of 3¼ percent on and after January 1, 1975, and to and including December 31, 1975, and at the rate of 3¾ percent thereafter.

SEC. 8.05. Section 6472 of the Revenue and Taxation Code is amended to read:

6472. Prepayment shall be accompanied by a report of the amount of such prepayment in a form prescribed by the board and shall be made to the board on or before the 20th day next following the end of each of the first two monthly periods of each quarterly period.

SEC. 8.1. Part 1.7 (commencing with Section 7280) is added to Division 2 of the Revenue and Taxation Code, to read:

PART 1.7. ADDITIONAL LOCAL TAXES

CHAPTER 1. OCCUPANCY TAXES

7280. The legislative body of any city or county may levy a tax on the privilege of occupying a room or rooms in a hotel, inn, tourist home or house, motel or other lodging unless such occupancy is for any period of more than 30 days. Such tax when levied by the legislative body of a county shall apply only to the unincorporated areas of the county.

7281. The legislative body of any city or county may levy a tax on the privilege of renting a mobilehome, as defined in Section 18008 of the Health and Safety Code, which is located outside a mobilehome park for occupancy on a transient basis unless such occupancy is for any period of more than 30 days. Such tax when levied by the legislative body of a county shall apply only to the unincorporated areas of the county.

This section does not authorize any city or county to levy a tax on the privilege of renting any mobilehome when the tenant is an employee of the owner or operator of the mobilehome.

SEC. 8.2. Section 14103 of the Revenue and Taxation Code is amended to read:

14103. Every tax imposed by this part is delinquent at the expiration of nine months from the date on which it becomes due and payable, if not paid within that time.

SEC. 8.4. Article 4 (commencing with Section 14161) of Chapter 8 of Part 8 of Division 2 of the Revenue and Taxation Code is repealed.

SEC. 9. Section 17009 of the Revenue and Taxation Code is amended to read:

17009. "Corporation" includes joint stock companies or associations (including nonprofit associations that perform services, borrow money or own property) insurance companies, and business trusts or so-called "Massachusetts

trusts." "Corporation" also includes a trust organized and operated exclusively for purposes contained in Section 23701d.

SEC. 10. Section 17035 is added to the Revenue and Taxation Code, to read:

17035. The term "withholding agent" means any person required to deduct and withhold any tax under the provisions of Section 18805 or 18806.

SEC. 11. Section 17041 of the Revenue and Taxation Code is amended to read:

17041. (a) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state and upon the entire taxable income of every nonresident which is derived from sources within this state, except the head of a household as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income.

If the taxable income is:	The tax is:
Not over $2,000	1% of the taxable income
Over $2,000 but not over $3,500	$20 plus 2% of excess over $2,000
Over $3,500 but not over $5,000	$50 plus 3% of excess over $3,500
Over $5,000 but not over $6,500	$95 plus 4% of excess over $5,000
Over $6,500 but not over $8,000	$155 plus 5% of excess over $6,500
Over $8,000 but not over $9,500	$230 plus 6% of excess over $8,000
Over $9,500 but not over $11,000	$320 plus 7% of excess over $9,500
Over $11,000 but not over $12,500	$425 plus 8% of excess over $11,000
Over $12,500 but not over $14,000	$545 plus 9% of excess over $12,500
Over $14,000 but not over $15,500	$680 plus 10% of excess over $14,000
Over $15,500	$830 plus 11% of excess over $15,500

(b) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state and upon the entire taxable income of every nonresident which is derived from sources within this state, when such resident or nonresident is the head of a household, as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income:

If the taxable income is:	The tax is:
Not over $3,000	1% of the taxable income
Over $3,000 but not over $4,500	$30 plus 2% of excess over $3,000
Over $4,500 but not over $6,000	$60 plus 3% of excess over $4,500
Over $6,000 but not over $7,500	$105 plus 4% of excess over $6,000
Over $7,500 but not over $9,000	$165 plus 5% of excess over $7,500
Over $9,000 but not over $10,500	$240 plus 6% of excess over $9,000
Over $10,500 but not over $12,000	$330 plus 7% of excess over $10,500
Over $12,000 but not over $13,500	$435 plus 8% of excess over $12,000
Over $13,500 but not over $15,000	$555 plus 9% of excess over $13,500
Over $15,000 but not over $16,500	$690 plus 10% of excess over $15,000
Over $16,500	$840 plus 11% of excess over $16,500

(c) The tax imposed by this part is not a surtax.

SEC. 12. Section 17042 of the Revenue and Taxation Code is amended to read:

17042. For purposes of this part, an individual shall be considered a head of a household if, and only if, such individual is not married at the close of his taxable year, and

either—

(a) Maintains as his home a household which constitutes for such taxable year the principal place of abode, as a member of such household, of—

(1) A son, stepson, daughter, or stepdaughter of the taxpayer, or a descendant of a son or daughter of the taxpayer, but if such son, stepson, daughter, stepdaughter, or descendant is married at the close of the taxpayer's taxable year, only if the taxpayer is entitled to a credit for the taxable year for such person under Section 17054; or

(2) Any other person who is a dependent of the taxpayer, if the taxpayer is entitled to a credit for the taxable year for such person under Section 17054; or

(b) Maintains a household which constitutes for such taxable year the principal place of abode of the father or mother of the taxpayer, if the taxpayer is entitled to a credit for the taxable year for such father or mother under Section 17054.

For purposes of this section, an individual shall be considered as maintaining a household only if over half of the cost of maintaining the household during the taxable year is furnished by such individual.

SEC. 13. Section 17044 is added to the Revenue and Taxation Code, to read:

17044. Notwithstanding Section 17042, for purposes of this part a taxpayer shall not be considered to be a head of household by reason of an individual who would not be a dependent for the taxable year but for—

(a) Subdivision (i) of Section 17056,

(b) Subdivision (j) of Section 17056, or

(c) Section 17058.

SEC. 14. Section 17057 of the Revenue and Taxation Code is amended to read:

17057. For purposes of Section 17056—

(a) The terms "brother" and "sister" include a brother or sister by the halfblood.

(b) In determining whether any of the relationships specified in Section 17056 or subdivision (a) of this section exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child satisfies the requirements of subdivision (i) of Section 17056 with respect to such individual), shall be treated as a child of such individual by blood.

(c) The term "dependent" does not include any individual who is not a citizen of the United States unless such individual is a resident of the United States, of a country contiguous to the United States, of the Canal Zone, or of the Republic of

Panama. The preceding sentence shall not exclude from the definition of "dependent" any child of the taxpayer—

(1) Born to him, or legally adopted by him, in the Philippine Islands before January 1, 1956, if the child is a resident of the Republic of the Philippines, and if the taxpayer was a member of the armed forces of the United States at the time the child was born to him or legally adopted by him, or

(2) Legally adopted by him, if, for the taxable year of the taxpayer, the child has as his principal place of abode the home of the taxpayer and is a member of the taxpayer's household, and if the taxpayer is a citizen of the United States.

(d) A payment to a wife which is includable in the gross income of the wife under Sections 17081 to 17083, inclusive, or Sections 17819 and 17820 shall not be treated as a payment by her husband for the support of any dependent.

(e) If the taxpayer would not occupy the status of head of a household except by reason of there being one or more dependents for whom he would be entitled to claim a credit under Section 17054, the credit shall be disallowed with respect to one of the dependents.

(f) An individual is not a member of the taxpayer's household if at any time during the taxable year of the taxpayer the relationship between such individual and the taxpayer is in violation of local law.

SEC. 15. Section 17061 of the Revenue and Taxation Code is amended to read:

17061. (a) In the case of a person entitled to a refund pursuant to Section 1176 of the Unemployment Insurance Code, there shall be a credit against the tax imposed under this part in the amount of such refund. If the tax due after deduction of any other credit under this part is less than the credit allowable pursuant to this section, the difference shall be a tax refund.

(b) If the Franchise Tax Board disallows the refund or credit provided for by this section, the Franchise Tax Board shall notify the claimant accordingly. The Franchise Tax Board's action upon the credit or refund is final unless the claimant files a protest with the Director of the Department of Human Resources Development pursuant to Section 1176.5 of the Unemployment Insurance Code. None of the remedies provided by this part shall be available to such claimant.

SEC. 16. Chapter 2.1 (commencing with Section 17062) is added to Part 10 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 2.1. TAX ON PREFERENCE INCOME

17062. In addition to the other taxes imposed by this part, there is hereby imposed for each taxable year, with respect to

the income of every taxpayer under this part, a tax equal to 2.5 percent of the amount (if any) by which the sum of the items of tax preference in excess of thirty thousand dollars ($30,000) is greater than the amount of net business loss for the taxable year.

17063. For purposes of this chapter, the items of tax preference are:

(a) The amount of the excess investment interest for the taxable year as determined under Section 17064.

(b) With respect to each "Section 18212 property" (as defined in Section 18214), the amount by which the deduction allowable for the taxable year for exhaustion, wear or tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the taxable year, had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life (determined without regard to Section 17211.7) for which the taxpayer has held the property.

(c) With respect to each item of "Section 18211 property," (as defined in paragraph (3) of subdivision (a) of Section 18211) which is the subject of a net lease, the amount by which the deduction allowable for the taxable year for exhaustion, wear and tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

(d) With respect to the transfer of a share of stock pursuant to the exercise of a qualified stock option (as defined in subdivision (b) of Section 17532) or a restricted stock option (as defined in subdivision (b) of Section 17534), the amount by which the fair market value of the share at the time of exercise exceeds the option price.

(e) With respect to each property (as defined in Sections 17681 to 17690, inclusive), the excess of the deduction for depletion allowable under Section 17681 for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year).

(f) An amount equal to one-half of the amount by which net long-term capital gain exceeds the net short-term capital loss for the taxable year.

(g) Subdivision (a) of this section, relating to excess investment interest, shall apply only to taxable years beginning before January 1, 1972.

(h) Subdivision (f) of this section shall apply only to taxable years beginning after December 31, 1970, and ending on or before November 30, 1972. For taxable years beginning after December 31, 1971, the amount of the tax preference

income with respect to capital gains shall be an amount (but not below zero) equal to the difference between (1) the taxpayer's total net capital gains and losses (determined without regard to any capital loss carryover) for the taxable year, and (2) the taxpayer's net capital gains and losses recognized by virtue of Section 18162.5 for the same taxable year.

17064. (a) For purposes of Section 17063, the excess investment interest for any taxable year is the amount by which the investment interest expense for the taxable year exceeds the net investment income for the taxable year.

(b) For purposes of this section,

(1) The term "net investment income" means the excess of investment income over investment expenses,

(2) The term "investment income" means—

(A) The gross income from interest, dividends, rents, and royalties,

(B) The net short-term capital gains attributable to the disposition of property held for investment, and

(C) Amounts treated under Sections 18211 and 18212 as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18181 or Section 18182,

but only to the extent such income, gain, and amounts are not derived from the conduct of a trade or business.

(3) The term "investment expenses" means the deductions allowable under paragraphs (1) or (2) of subdivision (a) of Section 17204, Sections 17207 to 17211.7, inclusive, Sections 17217 to 17221, inclusive, Section 17252, or Section 17681 of this part, directly connected with the production of investment income. For purposes of this paragraph, the deduction allowable under Sections 17208 to 17211.7, inclusive, with respect to any property may be treated as the amount which would have been allowable had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property, and the deduction allowable under Section 17681 of this part with respect to any property may be treated as the amount which would have been allowable had the taxpayer determined the deduction under Section 17681 of this part without regard to Sections 17686 and 17687 for each taxable year for which the taxpayer has held the property.

(4) The term "investment interest expense" means interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment. For purposes of the preceding sentence, interest paid or accrued on indebtedness incurred or continued in the construction of property to be used in a trade or business shall

not be treated as an investment interest expense.

(c) For purposes of this section property which is subject to a net lease entered into after October 9, 1969, shall be treated as property held for investment, and not as property used in a trade or business.

(d) For purposes of this chapter, property shall be considered to be subject to a net lease for a taxable year if—

(1) For such taxable year the sum of the deductions with respect to such property which are allowable solely by reason of Section 17202 is less than 15 percent of the rental income produced by such property, or

(2) The lessor is either guaranteed a specified return or is guaranteed in whole or in part against loss of income.

17064.5. (a) In the case of a husband or wife who files a separate return for the taxable year, the thirty thousand dollars ($30,000) amount specified in Section 17062 shall be fifteen thousand dollars ($15,000).

(b) In the case of an estate or trust—

(1) The sum of the items of tax preference for any taxable year of the estate or trust shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

(2) The thirty thousand dollars ($30,000) amount specified in Section 17062 applicable to such estate or trust shall be reduced to an amount which bears the same ratio to thirty thousand dollars ($30,000) as the portion of the sum of the items of tax preference allocated to the estate or trust under paragraph (1) bears to such sum.

(c) In the case of a nonresident, the minimum tax imposed by this chapter shall apply to only the sum of the tax preference items which relate to income which is derived from sources within this state.

(d) The items of tax preference of a common trust fund (as defined in Section 17671) for each taxable year of the fund shall be treated as items of tax preference of the participants of such fund and shall be apportioned pro rata among such participants.

(e) If a return is made for a short period, then the thirty thousand dollars ($30,000) amount specified in Section 17062 (relating to minimum tax for tax preferences), modified as provided by this section, shall be reduced to the amount which bears the same ratio to such specified amount as the number of days in the short period bears to 365.

(f) (1) For purposes of this part, the term estimated tax shall not include the minimum tax imposed by this chapter.

(2) For purposes of Chapter 12 (relating to credit for taxes paid), the taxes imposed by this part do not include taxes imposed by this chapter.

(3) Except as otherwise expressly provided in this chapter,

the term "taxes" includes the minimum tax imposed by this chapter.

SEC. 17. Chapter 2.6 (commencing with Section 17069) is added to Part 10 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 2.6. SPECIAL TAX CREDIT

17069. (a) An abatement tax credit of 20 percent of the amount of "net tax" (as defined in Section 17069.5) shall be allowed against the taxes imposed by this part with respect to taxable years beginning after December 31, 1970, and before January 1, 1972. If the taxpayer has more than one taxable year beginning after December 31, 1970, and before January 1, 1972, such taxpayer shall be allowed the credit provided by this section only with respect to the taxable year which covers the most number of months.

(b) The tax credit allowed by this section shall be claimed at the time a return is filed for taxable years beginning after December 31, 1970, and before January 1, 1972. In order to claim the tax credit allowed in subdivision (a), the taxpayer must first pay the entire amount of the net tax (as defined in Section 17069.5), less the amount of the tax credit provided by this chapter and any balance due thereon after taking into account any prepayment or prepayments made pursuant to the provisions of Section 18556 for taxable years beginning after December 31, 1970, and before January 1, 1972, on or before the due date of the return (as extended by Section 18433 or 18434), unless the taxpayer's failure to pay or file a timely return was due to reasonable cause and not due to willful neglect.

(c) If, after the tax credit provided by this section is claimed, the Franchise Tax Board determines that the taxpayer's tax liability for taxable years beginning after December 31, 1970, and before January 1, 1972, is more or less than the amount shown on the return, a corresponding adjustment shall be made by the Franchise Tax Board for the abatement tax credit.

(d) The tax credit provided by this section shall not apply to trusts or estates subject to tax under this part or to nonresidents as of the close of the taxable year for which the credit is claimed.

17069.5. (a) For purposes of this chapter only, the term "net tax" means the tax imposed under either Section 17041 or 17048, minus the credit for retirement income provided for in Section 17053, the credits for personal exemption provided for in Section 17054 and the credits for taxes paid other states provided for in Section 18001. However, for purposes of this chapter, in determining the amount of tax imposed under

either Section 17041 or 17048, taxable income shall be computed without regard to the amount by which net long-term capital gain exceeds net short-term capital loss. As used in this chapter, the term "net long-term capital gain" includes—

(1) The excess of long-term capital gains over long-term capital losses,

(2) The excess of gains over losses from transactions which are treated as sales or exchanges of capital assets and reportable as net long-term capital gain or loss under this part, and

(3) Net gains from the sales or exchanges of property used in the taxpayer's trade or business.

(b) For the purposes of Chapter 12 (commencing with Section 18001) of this part, credits for taxes paid to other states shall be allowed against the amount of tax imposed under either Section 17041 or 17048, minus the sum of the credits against the tax provided by this part except the credit provided by Section 17053 (relating to retirement income), and the credit provided by Section 17069.

(c) For the purposes of Section 18414 (relating to the filing of a declaration of estimated tax) and Section 18556 (relating to the payment of estimated tax), the requirement for filing a declaration of estimated tax and the amount of estimated tax to be paid shall be determined without regard to the tax credit provided in Section 17069.

SEC. 18. Section 17112.7 of the Revenue and Taxation Code is amended to read:

17112.7. (a) (1) This section shall apply to amounts—

(A) Distributed to a distributee, in the case of an employees' trust described in Section 17501 which is exempt from tax under Section 17631, or

(B) Paid to a payee, in the case of an annuity plan described in Section 17511,

if the total distributions or amounts payable to the distributee or payee with respect to an employee (including an individual who is an employee within the meaning of subdivision (a) of Section 17502.2) are paid to the distributee or payee within one taxable year of the distributee or payee, but only to the extent that subdivision (b) of Section 17503 or subdivision (a) of Section 17511 does not apply to such amounts.

(2) This section shall apply only to distributions or amounts paid—

(A) On account of the employee's death,

(B) With respect to an individual who is an employee without regard to subdivision (a) of Section 17502.2, on account of his separation from the service,

(C) With respect to an employee within the meaning of

subdivision (a) of Section 17502.2, after he has attained the age of 59½ years, or

(D) With respect to an employee within the meaning of subdivision (a) of Section 17502.2, after he has become disabled (within the meaning of subdivision (g) of Section 17112.5).

(3) This section shall apply to amounts distributed or paid to an employee from or under a plan only if he has been a participant in the plan for five or more taxable years prior to the taxable year in which such amounts are distributed or paid.

(4) This section shall not apply to amounts described in subparagraphs (B) and (C) of paragraph (1) of subdivision (e) of Section 17112.5 (but, in the case of amounts described in subparagraph (B) of such paragraph, only to the extent that subdivision (e) of Section 17112.5 applies to such amounts).

(b) In any case to which this section applies, the tax attributable to the amounts to which this section applies for the taxable year in which such amounts are received shall not exceed whichever of the following is the greater:

(1) Five times the increase in tax which would result from the inclusion in gross income of the recipient of 20 percent of so much of the amount so received as is includable in gross income, or

(2) Five times the increase in tax which would result if the taxable income of the recipient for such taxable year equaled 20 percent of the amount of the taxable income of the recipient for such taxable year determined under paragraph (1) of subdivision (c).

(c) Notwithstanding Section 17073 (relating to definition of taxable income), for purposes only of computing the tax under this part attributable to amounts to which this section or subdivision (e) of Section 17112.5 applies and which are includable in gross income—

(1) The taxable income of the recipient for the taxable year of receipt shall be treated as being not less than the amount by which (A) the aggregate of such amounts so includable in gross income exceeds (B) the amount of the credits allowed for such taxable year under Section 17054 (relating to credits for personal exemptions); and

(2) In making ratable inclusion computations under paragraph (2) of subdivision (e) of Section 17112.5, the taxable income of the recipient for each taxable year involved in such ratable inclusion shall be treated as being not less than the amount required by such paragraph (2) of subdivision (e) to be treated as includable in gross income for such taxable year.

In any case in which the preceding sentence results in an increase in taxable income for any taxable year, the resulting

increase in the taxes imposed by Section 17041 or 17048 for such taxable year shall not be reduced by any credit under this part which, but for this sentence, would be allowable.

(d) In the case of amounts to which this section applies which are distributed or paid with respect to an individual who is an employee without regard to subdivision (a) of Section 17502.2, subdivision (b) shall be applied with the following modifications:

(1) "Seven times" shall be substituted for "five times", and "14⅔ percent" shall be substituted for "20 percent".

(2) Any amount which is received during the taxable year by the employee as compensation (other than as deferred compensation within the meaning of Sections 17513 to 17525, inclusive) for personal services performed for the employer in respect of whom the amounts distributed or paid are received shall not be taken into account.

(3) No portion of the total distributions or amounts payable (of which the amounts distributed or paid are a part) to which subdivision (b) of Section 17503 or subdivision (a) of Section 17511 applies shall be taken into account.

Paragraph (2) shall not apply if the employee has not attained the age of 59½ years, unless he has died or become disabled (within the meaning of subdivision (g) of Section 17112.5).

SEC. 19. Section 17122.5 is added to the Revenue and Taxation Code, to read:

17122.5. There shall be included in gross income (as compensation for services) any amount received or accrued, directly or indirectly, by an individual as a payment for or reimbursement of expenses of moving from one residence to another residence which is attributable to employment or self-employment.

SEC. 20. Section 17122.7 is added to the Revenue and Taxation Code, to read:

17122.7. (a) If, in connection with the performance of services, property is transferred to any person other than the person for whom such services are performed, the excess of—

(1) The fair market value of such property (determined without regard to any restriction other than a restriction which by its terms will never lapse) at the first time the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, over

(2) The amount (if any) paid for such property,

shall be included in the gross income of the person who performed such services in the first taxable year in which the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial

risk of forfeiture, whichever is applicable. The preceding sentence shall not apply if such person sells or otherwise disposes of such property in an arm's-length transaction before his rights in such property become transferable or not subject to a substantial risk of forfeiture.

(b) (1) Any person who performs services in connection with which property is transferred to any person may elect to include in his gross income, for the taxable year in which such property is transferred, the excess of—

(A) The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse), over

(B) The amount (if any) paid for such property.

If such election is made, subdivision (a) shall not apply with respect to the transfer of such property, and if such property is subsequently forfeited, no deduction shall be allowed in respect of such forfeiture.

(2) An election under paragraph (1) with respect to any transfer of property shall be made in such manner as the Franchise Tax Board prescribes and shall be made not later than 30 days after the date of such transfer (or, if later, 30 days after the date of the enactment of this section). Such election may not be revoked except with the consent of the Franchise Tax Board.

(c) For purposes of this section—

(1) The rights of a person in property are subject to a substantial risk of forfeiture if such person's rights to full enjoyment of such property are conditioned upon the future performance of substantial services by any individual.

(2) The rights of a person in property are transferable only if the rights in such property of any transferee are not subject to a substantial risk of forfeiture.

(d) (1) In the case of property subject to a restriction which by its terms will never lapse, and which allows the transferee to sell such property only at a price determined under a formula, the price so determined shall be deemed to be the fair market value of the property unless established to the contrary by the Franchise Tax Board, and the burden of proof shall be on the Franchise Tax Board with respect to such value.

(2) If, in the case of property subject to a restriction which by its terms will never lapse, the restriction is canceled, then, unless the taxpayer establishes—

(A) That such cancellation was not compensatory, and

(B) That the person, if any, who would be allowed a deduction if the cancellation were treated as compensatory, will treat the transaction as not compensatory, as evidenced in such manner as the Franchise Tax Board shall prescribe

by regulations,
the excess of the fair market value of the property (computed without regard to the restrictions) at the time of cancellation over the sum of—

(C) The fair market value of such property (computed by taking the restriction into account) immediately before the cancellation, and

(D) The amount, if any, paid for the cancellation, shall be treated as compensation for the taxable year in which such cancellation occurs.

(e) This section shall not apply to—

(1) A transaction to which Section 17531 applies,

(2) A transfer to or from a trust described in Section 17501 or a transfer under an annuity plan which meets the requirements of Section 17515,

(3) The transfer of an option without a readily ascertainable fair market value, or

(4) The transfer of property pursuant to the exercise of an option with a readily ascertainable fair market value at the date of grant.

(f) In determining the period for which the taxpayer has held property to which subdivision (a) applies, there shall be included only the period beginning at the first time his rights in such property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier.

(g) If property to which subdivision (a) applies is exchanged for property subject to restrictions and conditions substantially similar to those to which the property given in such exchange was subject, and if Sections 17432 to 17439, inclusive, or 18102 (or so much of Section 18081 as relates to Section 18102) applied to such exchange, or if such exchange was pursuant to the exercise of a conversion privilege—

(1) Such exchange shall be disregarded for purposes of subdivision (a), and

(2) The property received shall be treated as property to which subdivision (a) applies.

(h) In the case of a transfer of property to which this section applies or a cancellation of a restriction described in subdivision (d), there shall be allowed as a deduction under Section 17202, to the person for whom were performed the services in connection with which such property was transferred, an amount equal to the amount included under subdivision (a), (b), or paragraph (2) of subdivision (d) in the gross income of the person who performed such services. Such deduction shall be allowed for the taxable year of such person in which or with which ends the taxable year in which such amount is included in the gross income of the person who performed such services

(i) This section shall apply to property transferred after

June 30, 1969, except that this section shall not apply to property transferred—

(1) Pursuant to a binding written contract entered into before April 22, 1969,

(2) Upon the exercise of an option granted before April 22, 1969,

(3) Before January 1, 1973, upon the exercise of an option granted pursuant to a binding written contract entered into before April 22, 1969, between a corporation and the transferor requiring the transferor to grant options to employees of such corporation (or a subsidiary of such corporation) to purchase a determinable number of shares of stock of such corporation, but only if the transferee was an employee of such corporation (or a subsidiary of such corporation) on or before April 22, 1969, or

(4) In exchange for (or pursuant to the exercise of a conversion privilege contained in) property transferred before July 1, 1969, or for property to which this section does not apply (by reason of paragraph (1) or (2)), if Sections 17432 to 17439, inclusive, or 18102 (or so much of Section 18081 as relates to Section 18102) applies, or if gain or loss is not otherwise required to be recognized upon the exercise of such conversion privilege, and if the property received in such exchange is subject to restrictions and conditions substantially similar to those to which the property given in such exchange was subject.

SEC. 21. Section 17123 of the Revenue and Taxation Code is amended to read:

17123. (a) Amounts received with respect to the services of a child shall be included in the gross income of the child and not in the gross income of the parent, even though such amounts are not received by the child.

(b) All expenditures by the parent or the child attributable to amounts which are includable in the gross income of the child (and not of the parent) solely by reason of subdivision (a) shall be treated as paid or incurred by the child.

(c) For purposes of this section, the term "parent" includes an individual who is entitled to the services of a child by reason of having parental rights and duties with respect to the child.

(d) Any income tax under this part assessed against a child, to the extent attributable to amounts includable in the gross income of the child, and not of the parent, solely by reason of subdivision (a) of this section, shall, if not paid by the child, for all purposes be considered as having also been properly assessed against the parent.

SEC. 22. Section 17146 of the Revenue and Taxation Code is amended to read:

17146. Gross income does not include the salary, wages,

bonuses, allowances, and other compensation, except pensions and retirement pay, received by an individual for his services on extended active duty as a member of the armed forces of the United States, including any auxiliary branch thereof, up to and including one thousand dollars ($1,000) per annum in the aggregate. For the purposes of this section, the term "extended active duty" means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

SEC. 23. Section 17146.5 is added to the Revenue and Taxation Code, to read:

17146.5. (a) Gross income does not include compensation received for active service as a member below the grade of commissioned officer in the armed forces of the United States for any month during any part of which such member—

(1) Served in a combat zone during an induction period, or

(2) Was hospitalized as a result of wounds, disease, or injury incurred while serving in a combat zone during an induction period; but this paragraph shall not apply for any month during any part of which there are no combatant activities in any combat zone as determined under paragraph (3) of subdivision (c) of this section.

(b) Gross income does not include so much of the compensation as does not exceed five hundred dollars ($500) received for active service as a commissioned officer in the armed forces of the United States for any month during any part of which such officer—

(1) Served in a combat zone during an induction period, or

(2) Was hospitalized as a result of wounds, disease, or injury incurred while serving in a combat zone during an induction period; but this paragraph shall not apply for any month during any part of which there are no combatant activities in any combat zone as determined under paragraph (3) of subdivision (c) of this section.

(c) For purposes of this section—

(1) The term "commissioned officer" does not include a commissioned warrant officer.

(2) The term "combat zone" means any area which the President of the United States by executive order designates, for purposes of Section 112 of the Internal Revenue Code of 1954, as an area in which armed forces of the United States are or have engaged in combat.

(3) Service is performed in a combat zone only if performed on or after the date designated by the President by executive order as the date of the commencing of combatant activities in such zone, and on or before the date designated by the President by executive order as the date of the termination of combatant activities in such zone.

(4) The term "compensation" does not include pensions

and retirement pay.

(5) The term "induction period" means any period during which, under laws heretofore or hereafter enacted relating to the induction of individuals for training and service in the armed forces of the United States, individuals (other than individuals liable for induction by reason of a prior deferment) are liable for induction for such training and service.

SEC. 24. Section 17158 is added to the Revenue and Taxation Code, to read:

17158. (a) In the case of an individual whose principal residence is damaged or destroyed by fire, storm, or other casualty, or who is denied access to his principal residence by governmental authorities because of the occurrence or threat of occurrence of such a casualty, gross income does not include amounts received by such individual under an insurance contract which are paid to compensate or reimburse such individual for living expenses incurred for himself and members of his household resulting from the loss of use or occupancy of such residence.

(b) Subdivision (a) shall apply to amounts received by the taxpayer for living expenses incurred during any period only to the extent the amounts received do not exceed the amount by which—

(1) The actual living expenses incurred during such period for himself and members of his household resulting from the loss of use or occupancy of their residence, exceeds

(2) The normal living expenses which would have been incurred for himself and members of his household during such period.

SEC. 25. Section 17202 of the Revenue and Taxation Code is amended to read:

17202. (a) There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including—

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity.

For purposes of the preceding sentence, the place of residence of a Member of Congress (including any delegate and resident commissioner) within the state, congressional district, territory, or possession which he represents in

Congress shall be considered his home, but amounts expended by such members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of three thousand dollars ($3,000).

(b) No deduction shall be allowed under subdivision (a) for any contribution or gift which would be allowable as a deduction under Sections 17214, 17215, 17216, and 17216.2 were it not for the percentage limitations, the dollar limitations, or the requirements as to the time of payment, set forth in such sections.

(c) (1) No deduction shall be allowed under subdivision (a) for any payment made; directly or indirectly, to an official or employee of any government, or of any agency or instrumentality of any government, if the payment constitutes an illegal bribe or kickback or, if the payment is to an official or employee of a foreign government, the payment would be unlawful under the laws of the United States if such laws were applicable to such payment and to such official or employee. The burden of proof in respect of the issue, for the purposes of this paragraph, as to whether a payment constitutes an illegal bribe or kickback (or would be unlawful under the laws of the United States) shall be upon the Franchise Tax Board to the same extent as it bears the burden of proof when the issue relates to fraud.

(2) If in a criminal proceeding a taxpayer is convicted of making a payment (other than a payment described in paragraph (1)) which is an illegal bribe or kickback, or his plea of guilty or nolo contendere to an indictment or information charging the making of such a payment is entered or accepted in such a proceeding, no deduction shall be allowed under subdivision (a) on account of such payment or any related payment made prior to the date of the final judgment in such proceeding.

(3) If a taxpayer claimed a deduction for a payment described in paragraph (2) which is disallowed because of a final judgment entered after the close of the taxable year for which the deduction was claimed, and if the proceeding was based on an indictment returned or an information filed prior to the expiration of the period for the assessment of any deficiency for such taxable year, the period for the assessment of any deficiency attributable to the deduction of such payment shall not expire prior to the expiration of one year from the date of such final judgment, and such deficiency may be assessed prior to the expiration of such one-year period notwithstanding the provision of any other law or rule of law which would otherwise prevent such assessment.

(d) No deduction shall be allowed under subdivision (a) for any fine or similar penalty paid to a government for the violation of any law.

(e) If in a criminal proceeding a taxpayer is convicted of a violation of the antitrust laws, or his plea of guilty or nolo contendere to an indictment or information charging such a violation is entered or accepted in such a proceeding, no deduction shall be allowed under subdivision (a) for two-thirds of any amount paid or incurred—

(1) On any judgment for damages entered against the taxpayer under Section 4 of the act entitled "An act to supplement existing laws against unlawful-restraints and monopolies, and for other purposes," approved October 15, 1914 (commonly known as the Clayton Act), on account of such violation or any related violation of the antitrust laws which occurred prior to the date of the final judgment of such conviction, or

(2) In settlement of any action brought under such Section 4 on account of such violation or related violation.

The preceding sentence shall not apply with respect to any conviction or plea before January 1, 1971, or to any conviction or plea on or after such date in a new trial following an appeal of a conviction before such date.

(f) For special rule relating to expenses in connection with subdividing real property for sale, see Sections 18197 to 18199, inclusive.

SEC. 26. Section 17203 of the Revenue and Taxation Code is amended to read:

17203. (a) There shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness. However, no deduction shall be allowed to the extent that it is connected with income not taxable under this part. The proper apportionment and allocation of the deduction with respect to taxable and nontaxable income shall be determined under rules and regulations prescribed by the Franchise Tax Board.

(b) (1) If personal property or educational services are purchased under a contract—

(A) Which provides that payment of part or all of the purchase price is to be made in installments; and

(B) In which carrying charges are separately stated but the interest charge cannot be ascertained;

then the payments made during the taxable year under the contract shall be treated for purposes of this section as if they included interest equal to 6 percent of the average unpaid balance under the contract during the taxable year. For purposes of the preceding sentence, the average unpaid balance is the sum of the unpaid balance outstanding on the first day of each month beginning during the taxable year, divided by 12.

For purposes of this paragraph, the term "educational services" means any service (including lodging) which is

purchased from an educational institution (as defined in subdivision (c) of Section 17150) and which is provided for a student of such institution.

(2) In the case of any contract to which paragraph (1) applies, the amount treated as interest for any taxable year shall not exceed the aggregate carrying charges which are properly attributable to such taxable year.

(c) The amendments made in subdivision (b) shall apply to payments made during taxable years beginning after December 31, 1963.

(d) (1) The amount of investment interest (as defined in subparagraph (D) of paragraph (3)) otherwise allowable as a deduction under this chapter shall be limited, in the following order, to—

(A) Twenty-five thousand dollars ($25,000) (twelve thousand five hundred dollars ($12,500), in the case of a separate return by a married individual), plus

(B) The amount of the net investment income (as defined in subparagraph (A) of paragraph (3)), plus

(C) An amount equal to the amount by which the net long-term capital gain exceeds the net short-term capital loss for the taxable year, plus

(D) One-half of the amount by which investment interest exceeds the sum of the amounts described in subparagraphs (A), (B), and (C).

In the case of a trust, the twenty-five thousand dollar ($25,000) amount specified in subparagraph (A) and in subparagraph (A) of paragraph (2), shall be zero. In determining the amount described in subparagraph (C), only gains and losses attributable to the disposition of property held for investment shall be taken into account.

(2) (A) The amount of disallowed investment interest for any taxable year shall be treated as investment interest paid or accrued in the succeeding taxable year The amount of the interest so treated which is allowable as a deduction by reason of the first sentence of this paragraph for any taxable year shall not exceed one-half of the amount by which—

(i) The net investment income for such taxable year plus twenty-five thousand dollars ($25,000), exceeds

(ii) The investment interest paid or accrued during such taxable year (determined without regard to this paragraph) or twenty-five thousand dollars ($25,000), whichever is greater.

(B) If—

(i) An amount of disallowed investment treated under subparagraph (A) as investment interest paid or accrued in the taxable year is not allowable as a deduction for such taxable year by reason of the second sentence of subparagraph (A), and

(ii) The taxpayer is entitled to a deduction under Section 18151 for such taxable year (whether or not the taxpayer claims such deduction), the amount of such disallowed investment interest shall be reduced by an amount equal to the amount of the deduction allowable under Section 18151.

(3) For purposes of this subdivision—

(A) The term "net investment income" means the excess of investment income over investment expenses.

(B) The term "investment income" means—

(i) The gross income from interest, dividends, rents, and royalties,

(ii) The net short-term capital gain attributable to the disposition of property held for investment, and

(iii) Any amount treated under Sections 18211 and 18212 to 18218, inclusive as gain from the sale or exchange of property which is neither a capital asset nor property described in Sections 18181 and 18182

but only to the extent such income, gain, and amounts are not derived from the conduct of a trade or business.

(C) The term "investment expenses" means the deductions allowable under paragraph (1) or (2) of subdivision (a) of Section 17204, Sections 17207, 17208 to 17211.7, inclusive, 17217 to 17221, inclusive, 17232, or 17681 directly connected with the production of investment income. For purposes of this subparagraph, the deduction allowable under Sections 17208 to 17211.5, inclusive, with respect to any property may be treated as the amount which would have been allowable had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property, and the deduction allowable under Section 17681 with respect to any property may be treated as the amount which would have been allowable had the taxpayer determined the deduction under Section 17681 without regard to Sections 17683 to 17688, inclusive, for each taxable year for which the taxpayer has held the property.

(D) The term "investment interest" means interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment.

(E) The term "disallowed investment interest" means with respect to any taxable year, the amount not allowable as a deduction solely by reason of the limitations in paragraph (1) and subparagraph (A) of paragraph (2).

(4) (A) For purposes of this subdivision, property subject to a lease shall be treated as property held for investment, and not as property used in a trade or business, for a taxable year, if—

(i) For such taxable year the sum of the deductions with respect to such property which are allowable solely by reason

of Section 17202 is less than 15 percent of the rental income produced by such property, or

(ii) The lessor is either guaranteed a specified return or is guaranteed in whole or in part against loss of income.

(B) In the case of a partnership, each partner shall, under regulations prescribed by the Franchise Tax Board, take into account separately his distributive share of the partnership's investment interest and the other items of income and expense taken into account under this subdivision.

(C) For purposes of this subdivision, interest paid or accrued on indebtedness incurred or continued in the construction of property to be used in a trade or business shall not be treated as investment interest.

(5) For purposes of Section 18151 (relating to deductions for capital gains) an amount equal to the amount of investment interest which is allowable as a deduction by reason of subparagraph (c) of paragraph (1) of this subdivision shall be treated as gain from the sale or other disposition of property which is neither a capital asset nor property described in Sections 18181 and 18182.

(6) This subdivision shall not apply with respect to investment interest, investment income, and investment expenses attributable to a specific item of property, if the indebtedness with respect to such property—

(A) Is for a specified term, and

(B) Was incurred before December 17, 1969, or is incurred after December 16, 1969, pursuant to a written contract or commitment which, on such date and at all times thereafter prior to the incurring of such indebtedness, is binding on the taxpayer.

(e) The amendments made in subdivision (d) shall apply to taxable years beginning after December 31, 1971.

SEC. 27. Section 17204.7 is added to the Revenue and Taxation Code, to read:

17204.7. The tax deducted and withheld under Sections 18805 and 18806 shall not be allowed as a deduction either to the employer or to the recipient of the income in computing taxable income under this part.

SEC. 28. Section 17209 of the Revenue and Taxation Code is amended to read:

17209. (a) Where, under regulations prescribed by the Franchise Tax Board, the taxpayer and the Franchise Tax Board have, after the date of enactment of this section, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the Franchise Tax Board in the absence of facts or circumstances not taken into consideration in the adoption of such agreement. The responsibility of establishing the

existence of such facts and circumstances shall rest with the party initiating the modification. Any change in the agreed rate and useful life specified in the agreement shall not be effective for taxable years before the taxable year in which notice in writing by certified mail or registered mail is served by the party to the agreement initiating such change.

(b) (1) In the absence of an agreement under subdivision (a) containing a provision to the contrary, a taxpayer may at any time elect in accordance with regulations prescribed by the Franchise Tax Board to change from the method of depreciation described in paragraph (2) of subdivision (b) of Section 17208 to the method described in paragraph (1) of subdivision (b) of Section 17208.

(2) A taxpayer may, on or before the last day prescribed by law (including extensions thereof) for filing his return for his first taxable year beginning after December 31, 1962, and in such manner as the Franchise Tax Board shall by regulations prescribe, elect to change his method of depreciation in respect of Section 18211 property (as defined in paragraph (3) of subdivision (a) of Section 18211) from any declining balance or sum of the years-digits method to the straight line method. An election may be made under this paragraph notwithstanding any provision to the contrary in an agreement under subdivision (a).

(3) A taxpayer may, on or before the last day prescribed by law (including extensions thereof) for filing his return for his first taxable year beginning after July 24, 1969, and in such manner as the Franchise Tax Board shall by regulation prescribe, elect to change his method of depreciation in respect of Section 18212 property (as defined in Section 18214) from any declining balance or sum of the years-digits method to the straight line method. An election may be made under this paragraph notwithstanding any provision to the contrary in an agreement under subdivision (a).

SEC. 29. Section 17211.6 is added to the Revenue and Taxation Code, to read:

17211.6. (a) Except as provided in subdivisions (b) and (c) of this section, in the case of Section 18212 property, subdivision (b) of Section 17208 shall not apply and the term "reasonable allowance" as used in subdivision (a) of Section 17208 shall include an allowance computed in accordance with regulations prescribed by the Franchise Tax Board, under any of the following methods:

(1) The straight line method.

(2) The declining balance method, using a rate not exceeding 150 percent of the rate which would have been used had the annual allowance been computed under the method described in paragraph (1), or

(3) Any other consistent method productive of an

annual allowance which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in paragraph (2).

Nothing in this subdivision shall be construed to limit or reduce an allowance otherwise allowable under subdivision (a) of Section 17208 except where allowable solely by reason of paragraph (2), (3), or (4) of subdivision (b) of Section 17208.

(b) (1) Subdivision (a) of this section shall not apply, and subdivision (b) of Section 17208 shall apply in any taxable year, to a building or structure—

(A) Which is residential rental property located within the United States or any of its possessions, or located within a foreign country if a method of depreciation for such property comparable to the method provided in paragraph (2) or (3) of subdivision (b) of Section 17208 is provided by the laws of such country, and

(B) The original use of which commences with the taxpayer. In the case of residential rental property located within a foreign country, the original use of which commences with the taxpayer, if the allowance for depreciation provided under the laws of such country for such property is greater than that provided under subdivision (a) of this section, but less than that provided under subdivision (b) of Section 17208, the allowance for depreciation under subdivision (b) of Section 17208 shall be limited to the amount provided under the laws of such country.

(2) For purposes of paragraph (1), a building or structure shall be considered to be residential rental property for any taxable year only if 80 percent or more of the gross rental income from such building or structure for such year is rental income from dwelling units (within the meaning of paragraph (3) of subdivision (c) of Section 17211.7). For purposes of the preceding sentence, if any portion of such building or structure is occupied by the taxpayer, the gross rental income from such building or structure shall include the rental value of the portion so occupied.

(3) Any change in the computation of the allowance for depreciation for any taxable year, permitted or required by reason of the application of paragraph (1) of subdivision (b) of this section, shall not be considered a change in a method of accounting.

(c) Subdivision (a) of this section shall not apply, and subdivision (b) of Section 17208 shall apply, in the case of property—

(1) The construction, reconstruction, or erection of which was begun before January 1, 1971, or

(2) For which a written contract entered into before January 1, 1971, with respect to any part of the construction, reconstruction, or erection or for the permanent financing thereof, was on January 1, 1971, and at all times thereafter, binding on the taxpayer.

(d) Except as provided in subdivision (e), in the case of Section 18212 property acquired after December 31, 1970 the original use of which does not commence with the taxpayer, the allowance for depreciation under Sections 17208 to 17211.7, inclusive, shall be limited to an amount computed under—

(1) The straight line method, or

(2) Any other method determined by the Franchise Tax Board to result in a reasonable allowance under subdivision (a) of Section 17208, not including—

(A) Any declining balance method,

(B) The sum of the years-digits method, or

(C) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 17208 or paragraph (3) of subdivision (a) of Sections 17208 to 17211.7, inclusive.

(e) In the case of Section 18212 property which is residential rental property (as defined in paragraph (2) of subdivision (b)) acquired after December 31, 1970, having a useful life of 20 years or more, the original use of which does not commence with the taxpayer, the allowance for depreciation under this section shall be limited to an amount computed under—

(1) The straight line method,

(2) The declining balance method, using a rate not exceeding 125 percent of the rate which would have been used had the annual allowance been computed under the method described in paragraph (1), or

(3) Any other method determined by the Franchise Tax Board to result in a reasonable allowance under subdivision (a) of Section 17208, not including—

(A) The sum of the years-digits method,

(B) Any declining balance method using a rate in excess of the rate permitted under paragraph (2), or

(C) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 17208 or paragraph (3) of subdivision (a) of this section.

(f) (1) For purposes of subdivisions (b), (d), and (e), if Section 18212 property which is not property described in subdivision (a) of Section 17208 when its original use commences, becomes property described in subdivision (a) of Section 17208 after December 31, 1970, such property shall

not be treated as property the original use of which commences with the taxpayer.

(2) Subdivisions (d) and (e) shall not apply in the case of Section 18212 property acquired after December 31, 1970, pursuant to a written contract for the acquisition of such property or for the permanent financing thereof, which was, on December 31, 1970, and at all times thereafter, binding on the taxpayer.

SEC. 30. Section 17211.7 is added to the Revenue and Taxation Code, to read:

17211.7. (a) The taxpayer may elect, in accordance with regulations prescribed by the Franchise Tax Board, to compute the depreciation deduction provided by subdivision (a) of Section 17208 attributable to rehabilitation expenditures incurred with respect to low-income rental housing after December 31, 1970, and before January 1, 1975, under the straight line method using a useful life of 60 months and no salvage value. Such method shall be in lieu of any other method of computing the depreciation deduction under subdivision (a) of Section 17208, and in lieu of any deduction for amortization, for such expenditures.

(b) (1) The aggregate amount of rehabilitation expenditures paid or incurred by the taxpayer with respect to any dwelling unit in any low-income rental housing which may be taken into account under subdivision (a) shall not exceed fifteen thousand dollars ($15,000).

(2) Rehabilitation expenditures paid or incurred by the taxpayer in any taxable year with respect to any dwelling unit in any low-income rental housing shall be taken into account under subdivision (a) only if over a period of two consecutive years, including the taxable year, the aggregate amount of such expenditures exceeds three thousand dollars ($3,000).

(c) For purposes of this section:

(1) The term "rehabilitation expenditures" means amounts chargeable to capital account and incurred for property or additions or improvements to property (or related facilities) with a useful life of five years or more, in connection with the rehabilitation of an existing building for low-income rental housing; but such term does not include the cost of acquisition of such building or any interest therein.

(2) The term "low-income rental housing" means any building the dwelling units in which are held for occupancy on a rental basis by families and individuals of low or moderate income, as determined by the Franchise Tax Board in a manner consistent with the policies of the Housing and Urban Development Act of 1968 pursuant to regulations prescribed under this section.

(3) The term "dwelling unit" means a house or an apartment used to provide living accommodations in a

building or structure, but does not include a unit in a hotel, motel, inn, or other establishment more than one-half of the units in which are used on a transient basis.

SEC. 31. Section 17212 of the Revenue and Taxation Code is repealed.

SEC. 32. Section 17214 of the Revenue and Taxation Code is repealed.

SEC. 33. Section 17214 is added to the Revenue and Taxation Code, to read:

17214. In computing taxable income there shall be allowed as a deduction, in case of an individual, contributions or gifts, payment of which is made within the taxable year to or for the use of:

(a) The United States, a possession of the United States, any state, or any political subdivision thereof, or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

(b) A corporation, or trust, or community chest, fund or foundation—

(1) Created or organized in the United States or in any possession thereof, or under the law of the United States, any state, the District of Columbia, or any possession of the United States;

(2) Organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children or animals;

(3) No part of the net earnings of which inures to the benefit of any private shareholder or individual; and

(4) No substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

A contribution or gift by a corporation to a trust, chest, fund, or foundation shall be deductible by reason of this paragraph only if it is to be used within the United States or any of its possessions exclusively for purposes specified in paragraph (2).

(c) A post or organization of war veterans, or an auxiliary unit or society of, or trust or foundation for, any such post or organization—

(1) Organized in the United States or any of its possessions, and

(2) No part of the net earnings of which inures to the benefit of any private shareholder or individual.

(d) In the case of a contribution or gift by an individual, a domestic fraternal society, order, or association, operating under the lodge system, but only if such contribution or gift

is to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

(e) A cemetery company owned and operated exclusively for the benefit of its members, or any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, if such company or corporation is not operated for profit and no part of the net earnings of such company or corporation inures to the benefit of any private shareholder or individual.

(f) For purposes of this section, payment of a charitable contribution which consists of a future interest in tangible personal property shall be treated as made only when all intervening interests in, and rights to the actual possession or enjoyment of the property have expired or are held by persons other than the taxpayer or those standing in a relationship to the taxpayer described in Section 17288. For purposes of the preceding sentence, a fixture which is intended to be severed from the real property shall be treated as tangible personal property.

SEC. 34. Section 17214.1 is added to the Revenue and Taxation Code, to read:

17214.1. (a) No deduction shall be allowed under Section 17214 for a contribution to or for the use of an organization or trust described in subdivision (d) of Section 23708.

(b) In the case of property transferred in trust, no deduction shall be allowed under Section 17214 for the value of a contribution of a remainder interest unless the trust is a charitable remainder annuity trust or a charitable remainder unitrust (described in Section 17763.1), or a pooled income fund (described in subdivision (e) of Section 17734).

(c) No deduction shall be allowed under Section 17214 for the value of any interest in property (other than a remainder interest) transferred in trust unless the interest is in the form of a guaranteed annuity or the trust instrument specifies that the interest is a fixed percentage distributed yearly of the fair market value of the trust property (to be determined yearly) and the grantor is treated as the owner of such interest for purposes of applying Section 17781. If the donor ceases to be treated as the owner of such an interest for purposes of applying Section 17781, at the time the donor ceases to be so treated, the donor shall for purposes of this part be considered as having received an amount of income equal to the amount of any deduction he received under Section 17214 for the contribution reduced by the discounted value of all amounts of income earned by the trust and taxable to him before the time at which he ceases to be treated as the owner of the interest. Such amounts of income shall be discounted to the

date of the contribution. The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this subdivision.

(d) In any case in which a deduction is allowed under Section 17214 for the value of an interest in property described in subdivision (c), transferred in trust, no deduction shall be allowed under Section 17214 to the grantor or any other person for the amount of any contribution made by the trust with respect to such interest.

(e) This section shall not apply in a case in which the value of all interests in property transferred in trust are deductible under Section 17214.

SEC. 35. Section 17214.2 is added to the Revenue and Taxation Code, to read:

17214.2. (a) In the case of a contribution (not made by a transfer in trust) of an interest in property which consists of less than the taxpayer's entire interest in such property, a deduction shall be allowed under Section 17214 only to the extent that the value of the interest contributed would be allowable as a deduction under Section 17214 if such interest had been transferred in trust. For purposes of this subdivision, a contribution by a taxpayer of the right to use property shall be treated as a contribution of less than the taxpayer's entire interest in such property.

(b) Subdivision (a) shall not apply to a contribution of—

(1) A remainder interest in a personal residence or farm, or

(2) An undivided portion of the taxpayer's entire interest in property.

SEC. 36. Section 17214.3 is added to the Revenue and Taxation Code, to read:

17214.3. For purposes of Section 17214, in determining the value of a remainder interest in real property, depreciation (computed on the straight line method) and depletion of such property shall be taken into account, and such value shall be discounted at a rate of 6 percent per annum, except that the Franchise Tax Board may prescribe a different rate.

SEC. 37. Section 17214.4 is added to the Revenue and Taxation Code, to read:

17214.4. If, in connection with any charitable contribution, a liability is assumed by the recipient or by any other person, or if a charitable contribution is of property which is subject to a liability, then to the extent necessary to avoid the duplication of amounts, the amount taken into account for purposes of Section 17214 as the amount of the charitable contribution—

(a) Shall be reduced for interest (1) which has been paid (or is to be paid) by the taxpayer, (2) which is attributable to the liability, and (3) which is attributable to any period

after the making of the contribution, and

(b) In the case of a bond, shall be further reduced for interest (1) which has been paid (or is to be paid) by the taxpayer on indebtedness incurred or continued to purchase or carry such bond, and (2) which is attributable to any period before the making of the contribution.

The reduction pursuant to subdivision (b) shall not exceed the interest (including interest equivalent) on the bond which is attributable to any period before the making of the contribution and which is not (under the taxpayer's method of accounting) includable in the gross income of the taxpayer for any taxable year. For purposes of this paragraph, the term "bond" means any bond, debenture, note, or certificate or other evidence of indebtedness.

SEC. 38. Section 17216 of the Revenue and Taxation Code is amended to read:

17216. (a) Subject to the provisions of subdivisions (b), (c) and (d), the limitation in Section 17215, and the provisions of Section 17216.2, shall not apply, in the case of an individual for a taxable year beginning before January 1, 1976, if in such taxable year and in 8 of the 10 preceding taxable years, the amount of the charitable contributions, plus the amount of income tax paid during such year in respect of such year or preceding taxable years, exceeds the transitional deduction percentage (determined under subdivision (c)) of the taxpayer's taxable income for such year, computed without regard to Section 17214. In lieu of the amount of income tax paid during any such year, there may be substituted for that year the amount of income tax paid in respect of such year, provided that any amount so included in the year in respect of which payment was made shall not be included in any other year. In the case of a separate return for the taxable year by a married individual who previously filed a joint return with a former deceased spouse for any of the 10 preceding taxable years, the amount of charitable contributions and taxes paid for any such preceding taxable year, for which a joint return was filed with the former deceased spouse, shall be determined in the same manner as if the taxpayer had not remarried after the death of such former spouse.

(b) If the limitation in Section 17215 does not apply because of the application of subdivision (a), the amount otherwise allowable as a deduction under Section 17214 shall be reduced by the amount by which the taxpayer's taxable income, computed without regard to this subdivision, is less than the transitional income percentage (determined under subdivision (d)) of the taxpayer's adjusted gross income. However, in no case shall a taxpayer's deduction be reduced below the amount allowable as a deduction under Section 17214 without the application of subdivision (a).

(c) For purposes of applying subdivision (a), the term "transitional deduction percentage" means—

(1) In the case of a taxable year beginning before 1971, 90 percent, and

(2) In the case of a taxable year beginning in—

1971	80 percent
1972	68 percent
1973	56 percent
1974	44 percent
1975	32 percent
1976 and thereafter	20 percent.

(d) For purposes of applying subdivision (b), the term "transitional income percentage" means, in the case of a taxable year beginning in—

1971	20 percent
1972	32 percent
1973	44 percent
1974	56 percent
1975	68 percent
1976 and thereafter	80 percent.

SEC. 39. Section 17216.1 of the Revenue and Taxation Code is repealed.

SEC. 40. Section 17216.1 is added to the Revenue and Taxation Code, to read:

17216.1. No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under Sections 17214, 17734, and 17216 shall be allowed as a deduction if made to or for the use of an organization or trust described in subdivision (d) of Section 23708. For the purposes of this section the term "gift or bequest" means any gift, contribution, bequest, devise, legacy or transfer without adequate consideration.

SEC. 41. Section 17216.2 of the Revenue and Taxation Code is amended to read:

17216.2. (a) The amount of any charitable contribution of property otherwise taken into account under Section 17214 shall be reduced by the sum of—

(1) The amount of gain which would not have been long-term capital gain if the property contributed had been sold by the taxpayer at its fair market value (determined at the time of such contribution), and

(2) In the case of a charitable contribution—

(A) Of tangible personal property, if the use by the

donee is unrelated to the purpose or function constituting the basis for its exemption under Section 23701 (or, in the case of a governmental unit, to any purpose or function described in Section 17214), or

(B) To or for the use of a private foundation (as defined in Section 509(a) of the Internal Revenue Code), other than a private foundation described in subsection (b)(1)(E) of that code, 50 percent of the amount of gain which would have been long-term capital gain if the property contributed had been sold by the taxpayer at its fair market value (determined at the time of such contribution).

For purposes of applying this subdivision (other than in the case of gain to which Section 18211 applies), property which is property used in the trade or business (as defined in Section 18182) shall be treated as a capital asset.

(b) For purposes of subdivision (a), in the case of a charitable contribution of less than the taxpayer's entire interest in the property contributed, the taxpayer's adjusted basis in such property shall be allocated between the interest contributed and any interest not contributed in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 42. Section 17226 of the Revenue and Taxation Code is repealed.

SEC. 43. Section 17226 is added to the Revenue and Taxation Code, to read:

17226. (a) Every taxpayer at his election, shall be entitled to a deduction with respect to the amortization of the amortizable basis of any certified pollution control facility (as defined in subdivision (d)), based on a period of 60 months. Such amortization deduction shall be an amount with respect to each month of such period within the taxable year, equal to the amortizable basis of the pollution control facility at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such amortizable basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any month shall be in lieu of the depreciation deduction with respect to such pollution control facility for such month provided by Section 17208. The 60-month period shall begin, as to any pollution control facility, at the election of the taxpayer, with the month following the month in which such facility was completed or acquired, or with the succeeding taxable year.

(b) The election of the taxpayer to take the amortization deduction and to begin the 60-month period with the month following the month in which the facility is completed or acquired, or with the taxable year succeeding the taxable year

in which such facility is completed or acquired, shall be made by filing with the Franchise Tax Board in such manner, in such form, and within such time, as the Franchise Tax Board may by regulations prescribe, a statement of such election.

(c) A taxpayer which has elected under subdivision (b) to take the amortization deduction provided in subdivision (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Franchise Tax Board before the beginning of such month. The depreciation deduction provided under Section 17208 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such pollution control facility.

(d) For purposes of this section—

(1) The term "certified pollution control facility" means a new identifiable treatment facility which is used, in connection with a plant or other property in operation before January 1, 1971, to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, or storing of pollutants, contaminants, wastes, or heat and which the State Department of Public Health has certified as having been constructed, reconstructed, erected, or acquired in conformity with the state program or requirements for abatement or control of water or atmospheric pollution or contamination.

(2) For purposes of paragraph (1), the term "new identifiable treatment facility" includes only tangible property (not including a building and its structural components, other than a building which is exclusively a treatment facility) which is of a character subject to the allowance for depreciation provided in Section 17208, which is identifiable as a treatment facility, and which—

(A) Is property—

(i) The construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1970, or

(ii) Acquired after December 31, 1970, if the original use of the property commences with the taxpayer and commences after such date, and

(B) Is placed in service by the taxpayer before January 1, 1975.

In applying this section in the case of property described in clause (i) of subparagraph (A), there shall be taken into account only that portion of the basis which is properly attributable to construction, reconstruction, or erection after

December 31, 1970.

(e) The State Department of Public Health shall not certify any property to the extent it appears that by reason of profits derived through the recovery of wastes or otherwise in the operation of such property, its costs will be recovered over its actual useful life.

(f) (1) For purposes of this section, the term "amortizable basis" means that portion of the adjusted basis (for determining gain) of a certified pollution control facility which may be amortized under this section.

(2) (A) If a certified pollution control facility has a useful life (determined as of the first day of the first month for which a deduction is allowable under this section) in excess of 15 years, the amortizable basis of such facility shall be equal to an amount which bears the same ratio to the portion of the adjusted basis of such facility, which would be eligible for amortization but for the application of this subparagraph, as 15 bears to the number of years of useful life of such facility.

(B) The amortizable basis of a certified pollution control facility with respect to which an election under this section is in effect shall not be increased, for purposes of this section, for additions or improvements after the amortization period has begun.

(g) The depreciation deduction provided by Section 17208 shall, despite the provisions of subdivision (a), be allowed with respect to the portion of the adjusted basis which is not the amortizable basis.

(h) In the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

(i) For special rule with respect to certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see Section 18211.

SEC. 44. Section 17226.5 of the Revenue and Taxation Code is repealed.

SEC. 45. Section 17235 of the Revenue and Taxation Code is amended to read:

17235. (a) Except as provided in subdivision (b), any amount (allowable as a deduction without regard to this section), which is attributable to the planting, cultivation, maintenance, or development of any citrus or almond grove (or part thereof), and which is incurred before the close of the fourth taxable year beginning with the taxable year in which the trees were planted, shall be charged to capital account. For purposes of the preceding sentence, the portion of a citrus or almond grove planted in one taxable year shall be treated separately from the portion of such grove planted in another

taxable year.

(b) Subdivision (a) shall not apply to amounts allowable as deductions (without regard to this section), and attributable to a citrus or almond grove (or part thereof) which was:

(1) Replanted after having been lost or damaged (while in the hands of the taxpayer), by reason of freeze, disease, drought, pests or casualty, or

(2) Planted or replanted prior to the enactment of this section with respect to citrus groves, or planted or replanted prior to the effective date of the amendments to this section at the 1971 Regular Session of the Legislature with respect to almond groves.

SEC. 46. Section 17236 is added to the Revenue and Taxation Code, to read:

17236. (a) If a compensatory amount which is included in gross income is received or accrued during the taxable year for a compensable injury, there shall be allowed as a deduction for the taxable year the amount of such compensatory amount.

(b) For purposes of this section, the term "compensable injury" means—

(1) Injuries sustained as a result of an infringement of a patent issued by the United States.

(2) Injuries sustained as a result of a breach of contract or a breach of fiduciary duty or relationship, or

(3) Injuries sustained in business, or to property, by reason of any conduct forbidden in the antitrust laws for which a civil action may be brought under Section 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (commonly known as the Clayton Act).

(c) For purposes of this section, the term "compensatory amount" means the amount received or accrued during the taxable year as damages as a result of an award in, or in settlement of, a civil action for recovery for a compensable injury, reduced by any amounts paid or incurred in the taxable year in securing such award or settlement.

SEC. 47. Section 17265 of the Revenue and Taxation Code is amended to read:

17265. For purposes of Section 17264 and this section—

(a) The term "cooperative housing corporation" means a corporation—

(1) Having one and only one class of stock outstanding,

(2) Each of the stockholders of which is entitled, solely by reason of his ownership of stock in the corporation, to occupy for dwelling purposes a house, or an apartment in a building, owned or leased by such corporation,

(3) No stockholder of which is entitled (either conditionally or unconditionally) to receive any distribution

not out of earnings and profits of the corporation except on a complete or partial liquidation of the corporation, and

(4) Eighty percent or more of the gross income of which for the taxable year in which the taxes and interest described in Section 17264 are paid or incurred is derived from tenant-stockholders.

(b) The term "tenant-stockholder" means an individual who is a stockholder in a cooperative housing corporation, and whose stock is fully paid up in an amount not less than an amount shown to the satisfaction of the Franchise Tax Board as bearing a reasonable relationship to the portion of the value of the corporation's equity in the houses or apartment building and the land on which situated which is attributable to the house or apartment which such individual is entitled to occupy.

(c) The term "tenant-stockholder's proportionate share" means that proportion which the stock of the cooperative housing corporation owned by the tenant-stockholder is of the total outstanding stock of the corporation (including any stock held by the corporation).

(d) For purposes of this subdivision in determining whether a corporation is a cooperative housing corporation, stock owned and apartments leased by the United States or any of its possessions, a state or any political subdivision thereof, or any agency or instrumentality of the foregoing empowered to acquire shares in a cooperative housing corporation for the purpose of providing housing facilities, shall not be taken into account.

(e) So much of the stock of a tenant-stockholder in a cooperative housing corporation as is allocable, under regulations prescribed by the Franchise Tax Board, to a proprietary lease or right of tenancy in property subject to the allowance for depreciation under subdivision (a) of Section 17208 shall, to the extent such proprietary lease or right of tenancy is used by such tenant-stockholder in a trade or business or for the production of income, be treated as property subject to the allowance for depreciation under subdivision (a) of Section 17208.

SEC. 48. Section 17266 of the Revenue and Taxation Code is amended to read:

17266. (a) There shall be allowed as a deduction moving expenses paid or incurred during the taxable year in connection with the commencement of work by the taxpayer as an employee or as a self-employed individual at a new principal place of work.

(b) (1) For purposes of this section, the term "moving expenses" means only the reasonable expenses—

(A) Of moving household goods and personal effects from the former residence to the new residence,

(B) Of traveling (including meals and lodging) from the former residence to the new place of residence,

(C) Of traveling (including meals and lodging), after obtaining employment, from the former residence to the general location of the new principal place of work and return, for the principal purpose of searching for a new residence,

(D) Of meals and lodging while occupying temporary quarters in the general location of the new principal place of work during any period of 30 consecutive days after obtaining employment, or

(E) Constituting qualified residence sale, purchase, or lease expenses.

(2) For purposes of subparagraph (E) of paragraph (1), the term "qualified residence sale, purchase, or lease expenses" means only reasonable expenses incident to—

(A) The sale or exchange by the taxpayer or his spouse of the taxpayer's former residence (not including expenses for work performed on such residence in order to assist in its sale) which (but for this subdivision and subdivision (e)) would be taken into account in determining the amount realized on the sale or exchange,

(B) The purchase by the taxpayer or his spouse of a new residence in the general location of the new principal place of work which (but for this subdivision and subdivision (e)) would be taken into account in determining—

(i) The adjusted basis of the new residence, or

(ii) The cost of a loan (but not including any amounts which represent payments or prepayments of interest),

(C) The settlement of an unexpired lease held by the taxpayer or his spouse on property used by the taxpayer as his former residence, or

(D) The acquisition of a lease by the taxpayer or his spouse on property used by the taxpayer as his new residence in the general location of the new principal place of work (not including amounts which are payments or prepayments of rent).

(3) (A) The aggregate amount allowable as a deduction under subdivision (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (C) or (D) of paragraph (1) shall not exceed one thousand dollars ($1,000). The aggregate amount allowable as a deduction under subdivision (a) which is attributable to qualified residence sale, purchase, or lease expenses shall not exceed two thousand five hundred dollars ($2,500), reduced by the aggregate amount so allowable which is attributable to expenses described in subparagraph (C) or (D) of paragraph (1).

(B) If a husband and wife both commence work at a new

principal place of work within the same general location, subparagraph (A) shall be applied as if there was only one commencement of work. In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting five hundred dollars ($500) for one thousand dollars ($1,000), and by substituting one thousand two hundred fifty dollars ($1,250) for two thousand five hundred dollars ($2,500).

(C) In the case of any individual other than the taxpayer, expenses referred to in subparagraphs (A) to (D), inclusive, of paragraph (1) shall be taken into account only if such individual has both the former residence and the new residence as his principal place of abode and is a member of the taxpayer's household.

(c) No deduction shall be allowed under this section unless—

(1) The taxpayer's new principal place of work—

(A) Is at least 50 miles farther from his former residence than was his former principal place of work, or

(B) If he had no former principal place of work, is at least 50 miles from his former residence, and

(2) Either—

(A) During the 12-month period immediately following his arrival in the general location of his new principal place of work, the taxpayer is a full-time employee, in such general location, during at least 39 weeks, or

(B) During the 24-month period immediately following his arrival in the general location of his new principal place of work, the taxpayer is a full-time employee or performs services as a self-employed individual on a full-time basis, in such general location, during at least 78 weeks, of which not less than 39 weeks are during the 12-month period referred to in subparagraph (A).

For purposes of paragraph (1), the distance between two points shall be the shortest of the more commonly traveled routes between such two points.

(d) In the case of an individual whose former residence was outside this state and his new place of residence is located within this state or whose former residence was located in this state and his new place of residence is located outside this state, the deduction allowed by this section shall be allowed only if any amount received as payment for or reimbursement of expenses of moving from one residence to another residence is includable in gross income as provided by Section 17122.5 and the amount of deduction shall be limited only to the amount of such payment or reimbursement or the amounts specified in subdivision (b), whichever amount is the lesser.

(e) (1) The condition of paragraph (2) of subdivision (c)

shall not apply if the taxpayer is unable to satisfy such condition by reason of—

(A) Death or disability, or

(B) Involuntary separation (other than for willful misconduct) from the service of, or transfer for the benefit of, an employer after obtaining full-time employment in which the taxpayer could reasonably have been expected to satisfy such condition.

(2) If a taxpayer has not satisfied the condition of paragraph (2) of subdivision (c) before the time prescribed by law (including extensions thereof) for filing the return for the taxable year during which he paid or incurred moving expenses which would otherwise be deductible under this section, but may still satisfy such condition, then such expenses may (at the election of the taxpayer) be deducted for such taxable year notwithstanding paragraph (2) of subdivision (c).

(3) If—

(A) For any taxable year moving expenses have been deducted in accordance with the rule provided in paragraph (2), and

(B) The condition of paragraph (2) of subdivision (c) cannot be satisfied at the close of the subsequent taxable year,

then an amount equal to the expenses which were so deducted shall be included in gross income for the first such subsequent taxable year.

(f) The amount realized on the sale of the residence described in subparagraph (A) of paragraph (2) of subdivision (b) shall not be decreased by the amount of any expenses described in such subparagraph which are allowed as a deduction under subdivision (a), and the basis of a residence described in subparagraph (B) of paragraph (2) of subdivision (b) shall not be increased by the amount of any expenses described in such subparagraph which are allowed as a deduction under subdivision (a). This subdivision shall not apply to any expenses with respect to which an amount is included in gross income under paragraph (3) of subdivision (e).

(g) (1) For purposes of this section, the term "self-employed individual" means an individual who performs personal services—

(A) As the owner of the entire interest in an unincorporated trade or business, or

(B) As a partner in a partnership carrying on a trade or business.

(2) For purposes of subparagraphs (C) and (D) of paragraph (1) of subdivision (b), an individual who commences work at a new principal place of work as a

self-employed individual shall be treated as having obtained employment when he has made substantial arrangements to commence such work.

(h) The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(i) The amendments to this section shall apply to taxable years beginning after December 31, 1970, except that—

(1) This section shall not apply to any item to the extent that the taxpayer received or accrued reimbursement or other expense allowance for such item in a taxable year beginning on or before December 31, 1970, which was not included in his gross income, and

(2) The amendments made to this section shall not apply (at the election of the taxpayer made at such time and manner as the Franchise Tax Board prescribes) with respect to moving expenses paid or incurred before July 1, 1971, in connection with the commencement of work by the taxpayer as an employee at a new principal place of work of which the taxpayer had been notified by his employer on or before December 31, 1970.

SEC. 49. Section 17335 of the Revenue and Taxation Code is amended to read:

17335. Except as otherwise provided in Section 17336, gross income does not include the amount of any distribution of the stock of a corporation made by such corporation to its shareholders with respect to its stock.

SEC. 50. Section 17336 of the Revenue and Taxation Code is amended to read:

17336. (a) Section 17335 shall not apply to a distribution by a corporation of its stock, and the distribution shall be treated as a distribution of property to which Sections 17321 to 17324, inclusive, apply—

(1) If the distribution is, at the election of any of the shareholders (whether exercised before or after the declaration thereof), payable either—

(A) In its stock, or

(B) In property.

(2) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of property by some shareholders, and

(B) An increase in the proportionate interests of other shareholders in the assets or earnings and profits of the corporation.

(3) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of preferred stock by some common shareholders, and

(B) The receipt of common stock by other common

shareholders.

(4) If the distribution is with respect to preferred stock, other than an increase in the conversion ratio of convertible preferred stock made solely to take account of a stock dividend or stock split with respect to the stock into which such convertible stock is convertible.

(5) If the distribution is of convertible preferred stock, unless it is established to the satisfaction of the Franchise Tax Board that such distribution will not have the result described in paragraph (2).

(b) For purposes of this section, Section 17335, and Sections 17321 to 17324, inclusive, the Franchise Tax Board shall prescribe regulations under which a change in conversion ratio, a change in redemption price, a difference between redemption price and issue price, a redemption which is treated as a distribution to which Sections 17321 to 17324, inclusive, apply, or any transaction (including a recapitalization) having a similar effect on the interest of any shareholder shall be treated as a distribution with respect to any shareholder whose proportionate interest in the earnings and profits or assets of the corporation is increased by such change, difference, redemption, or similar transaction.

(c) (1) For purposes of this section and Section 17335, the term "stock" includes rights to acquire such stock.

(2) For purposes of subdivisions (a) and (b), the term "shareholder" includes a holder of rights or of convertible securities.

(d) Except as otherwise provided in this section, the amendments made to this section at the 1971 Regular Session of the Legislature shall apply with respect to distributions (or deemed distributions) made after December 31, 1970.

(e) (1) Paragraph (2) of subdivision (a) of this section shall not apply to a distribution (or deemed distribution) of stock made before January 1, 1991, with respect to stock (A) outstanding on January 10, 1969, (B) issued pursuant to a contract binding on January 10, 1969, on the distributing corporation, (C) which is additional stock of that class of stock which (as of January 10, 1969) had the largest fair market value of all classes of stock of the corporation (taking into account only stock outstanding on January 10, 1969, or issued pursuant to a contract binding on January 10, 1969), (D) described in subparagraph (C) of paragraph (3), or (E) issued in a prior distribution described in subparagraph (A), (B), (C), or (D).

(2) Paragraph (1) shall apply only if—

(A) The stock as to which there is a receipt of property was outstanding on January 10, 1969 (or was issued pursuant to a contract binding on January 10, 1969, on the distributing corporation), and

(B) If such stock and any stock described in subparagraph (A) of paragraph (1) were also outstanding on January 10, 1968, a distribution of property was made on or before January 10, 1969, with respect to such stock, and a distribution of stock was made on or before January 10, 1969, with respect to such stock described in subparagraph (A) of paragraph (1).

(3) Paragraph (1) shall cease to apply when at any time after October 9, 1969, the distributing corporation issues any of its stock (other than in a distribution of stock with respect to stock of the same class) which is not—

(A) Nonconvertible preferred stock,

(B) Additional stock of that class of stock which meets the requirements of subparagraph (C) of paragraph (1), or

(C) Preferred stock which is convertible into stock which meets the requirements of subparagraph (C) of paragraph (1) at a fixed conversion ratio which takes account of all stock dividends and stock splits with respect to the stock into which such convertible stock is convertible.

(4) For purposes of this subdivision, the term "stock" includes rights to acquire such stock.

(f) In cases to which Treasury Decision 6990 (promulgated January 10, 1969) would not have applied, in applying subdivisions (d) and (e), April 22, 1969, shall be substituted for January 10, 1969.

(g) Paragraph (4) of subdivision (a) of this section shall not apply to any distribution (or deemed distribution) with respect to preferred stock (including any increase in the conversion ratio of convertible stock) made before January 1, 1991, pursuant to the terms relating to the issuance of such stock which were in effect on January 10, 1969.

(h) With respect to distributions made or considered as made after January 10, 1969, in taxable years ending after such date, to the extent that the amendments to this section made by the 1971 Regular Session of the Legislature do not apply by reason of subdivision (e), (f), or (g) of this section, Sections 17335 and 17336 (as in effect before amendment of this section at the 1971 Regular Session of the Legislature) shall continue to apply.

SEC. 51. Section 17361 of the Revenue and Taxation Code is amended to read:

17361. (a) Except as otherwise provided in this section and Sections 17362 to 17364, inclusive, 17366 and 17367, on the distribution of property by a corporation with respect to its stock, the earnings and profits of the corporation (to the extent thereof) shall be decreased by the sum of—

(1) The amount of money,

(2) The principal amount of the obligations of such corporation, and

(3) The adjusted basis of the other property, so distributed.

(b) (1) On the distribution by a corporation, with respect to its stock, of inventory assets (as defined in subparagraph (A) of paragraph (2)) the fair market value of which exceeds the adjusted basis thereof, the earnings and profits of the corporation—

(A) Shall be increased by the amount of such excess; and

(B) Shall be decreased by whichever of the following is the lesser:

(i) The fair market value of the inventory assets distributed, or

(ii) The earnings and profits (as increased under subparagraph (A)).

(2) (A) For purposes of paragraph (1), the term "inventory assets" means—

(i) Stock in trade of the corporation, or other property of a kind which would properly be included in the inventory of the corporation if on hand at the close of the taxable year;

(ii) Property held by the corporation primarily for sale to customers in the ordinary course of its trade or business; and

(iii) Unrealized receivables or fees, except receivables from sales or exchanges of assets other than assets described in this subparagraph.

(B) For purposes of clause (iii) of subparagraph (A), the term "unrealized receivables or fees" means, to the extent not previously includable in income under the method of accounting used by the corporation, any rights (contractual or otherwise) to payment for—

(i) Goods delivered, or to be delivered, to the extent that the proceeds therefrom would be treated as amounts received from the sale or exchange of property other than a capital asset, or

(ii) Services rendered or to be rendered.

(c) In making the adjustments to the earnings and profits of a corporation under subdivision (a) or (b), proper adjustment shall be made for—

(1) The amount of any liability to which the property distributed is subject,

(2) The amount of any liability of the corporation assumed by a shareholder in connection with the distribution, and

(3) Any gain to the corporation recognized under Section 24482, 24483, or 24483.5 of the Bank and Corporation Tax Law or under Section 17417.

(d) The distribution to a distributee by or on behalf of a corporation of its stock or securities, of stock or securities in another corporation, or of property, in a distribution to which this part applies, shall not be considered a distribution of the earnings and profits of any corporation—

(1) If no gain to such distributee from the receipt of such stock or securities, or property, was recognized under this

part; or

(2) If the distribution was not subject to tax in the hands of such distributee by reason of Section 17335.

(e) In the case of a distribution of stock or securities, or property, to which Section 17162 of the Personal Income Tax Law of 1954 (or the corresponding provision of prior law) applied, the effect on earnings and profits of such distribution shall be determined under such Section 17162, or the corresponding provision of prior law, as the case may be.

(f) For purposes of subdivisions (d) and (e), the term "stock or securities" includes rights to acquire stock or securities.

SEC. 52. Section 17415 of the Revenue and Taxation Code is amended to read:

17415. (a) For purposes of subdivision (a) of Section 17411, a corporation shall not be considered to be a collapsible corporation with respect to any sale or exchange of stock of the corporation by a shareholder, if, at the time of such sale or exchange, the sum of—

(1) The net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (1) of subdivision (e)), plus

(2) If the shareholder owns more than 5 percent in value of the outstanding stock of the corporation, the net unrealized appreciation in assets of the corporation (other than assets described in paragraph (1)) which would be Section 17415 assets under subparagraphs (A) and (C) of paragraph (1) of subdivision (e) if the shareholder owned more than 20 percent in value of such stock, plus

(3) If the shareholder owns more than 20 percent in value of the outstanding stock of the corporation and owns, or at any time during the preceding three-year period owned, more then 20 percent in value of the outstanding stock of any other corporation more than 70 percent in value of the assets of which are, or were at any time during which such shareholder owned during such three-year period more than 20 percent in value of the outstanding stock, assets similar or related in service or use to assets comprising more than 70 percent in value of the assets of the corporation, the net unrealized appreciation in assets of the corporation (other than assets described in paragraph (1)) which would be Section 17415 assets under subparagraphs (A) and (C) of paragraph (1) of subdivision (e) if the determination whether the property, in the hands of such shareholder, would be property gain from the sale or exchange of which would under any provision of this chapter be considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182, were made—

(A) By treating any sale or exchange by such shareholder of stock in such other corporation within the preceding three-year period (but only if at the time of such sale or exchange the shareholder owned more than 20 percent in value of the outstanding stock in such other corporation) as a sale or exchange by such shareholder of his proportionate share of the assets of such other corporation, and

(B) By treating any sale or exchange of property by such other corporation within such three-year period (but only if at the time of such sale or exchange the shareholder owned more than 20 percent in value of the outstanding stock in such other corporation), gain or loss on which was not recognized to such other corporation under Section 24512 of the Bank and Corporation Tax Law, as a sale or exchange by such shareholder of his proportionate share of the property sold or exchanged,

does not exceed an amount equal to 15 percent of the net worth of the corporation. This paragraph shall not apply to any sale or exchange of stock to the issuing corporation or, in the case of a shareholder who owns more than 20 percent in value of the outstanding stock of the corporation, to any sale or exchange of stock by such shareholder to any person related to him (within the meaning of subdivision (h)).

(b) For purposes of subdivision (b) of Section 17411, a corporation shall not be considered to be a collapsible corporation with respect to any distribution to a shareholder pursuant to a plan of complete liquidation if, by reason of the application of subdivision (d) of this section, Section 24512 of the Bank and Corporation Tax Law applies to sales or exchanges of property by the corporation within the 12-month period beginning on the date of the adoption of such plan, and if, at all times after the adoption of the plan of liquidation, the sum of—

(1) The net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (1) of subdivision (e)), plus

(2) If the shareholder owns more than 5 percent in value of the outstanding stock of the corporation, the net unrealized appreciation in assets of the corporation described in paragraph (2) of subdivision (a) (other than assets described in paragraph (1) of this subdivision), plus

(3) If the shareholder owns more than 20 percent in value of the outstanding stock of the corporation and owns, or at any time during the preceding three-year period owned, more than 20 percent in value of the outstanding stock of any other corporation more than 70 percent in value of the assets of which are, or were at any time during which such shareholder owned during such three-year period more than 20 percent

in value of the outstanding stock, assets similar or related in service or use to assets comprising more than 70 percent in value of the assets of the corporation, the net unrealized appreciation in assets of the corporation described in paragraph (3) of subdivision (a) (other than assets described in paragraph (1) of this subdivision), does not exceed an amount equal to 15 percent of the net worth of the corporation.

(c) For purposes of Section 17402, a corporation shall not be considered to be a collapsible corporation if at all times after the adoption of the plan of liquidation, the net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (2) of subdivision (e)) does not exceed an amount equal to 15 percent of the net worth of the corporation.

(d) For purposes of Sections 24512 to 24514, inclusive, of the Bank and Corporation Tax Law, a corporation shall not be considered to be a collapsible corporation with respect to any sale or exchange by it of property within the 12-month period beginning on the date of the adoption of a plan of complete liquidation, if—

(1) At all times after the adoption of such plan, the net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (1) of subdivision (e)) does not exceed an amount equal to 15 percent of the net worth of the corporation,

(2) Within the 12-month period beginning on the date of the adoption of such plan, the corporation sells substantially all of the properties held by it on such date, and

(3) Following the adoption of such plan, no distribution is made of any property which in the hands of the corporation or in the hands of the distributee is property in respect of which a deduction for exhaustion, wear and tear, obsolescence, amortization, or depletion is allowable.

This paragraph shall not apply with respect to any sale or exchange of property by the corporation to any shareholder who owns more than 20 percent in value of the outstanding stock of the corporation or to any person related to such shareholder (within the meaning of subdivision (h)), if such property in the hands of the corporation or in the hands of such shareholder or related person is property in respect of which a deduction for exhaustion, wear and tear, obsolescence, amortization, or depletion is allowable.

(e) (1) For purposes of subdivisions (a), (b) and (d), the term "Section 17415 asset" means, with respect to property held by any corporation—

(A) Property (except property used in the trade or business, as defined in subdivision (i)) which in the hands of the corporation is, or, in the hands of a shareholder who

owns more than 20 percent in value of the outstanding stock of the corporation, would be, property gain from the sale or exchange of which would under any provision of this part be considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182;

(B) Property used in the trade or business (as defined in subdivision (i)), but only if the unrealized depreciation on all such property on which there is unrealized depreciation exceeds the unrealized appreciation on all such property on which there is unrealized appreciation;

(C) If there is net unrealized appreciation on all property used in the trade or business (as defined in subdivision (i)), which, in the hands of a shareholder who owns more than 20 percent in value of the outstanding stock of the corporation, would be property gain from the sale or exchange of which would under any provision of this part be considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182; and

(D) Property (unless included under subparagraph (A), (B), or (C)) which consists of a copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property, or any interest in any such property, if the property was created in whole or in part by the personal efforts of, or (in the case of a letter, memorandum, or similar property) was prepared, or produced in whole or in part for, any individual who owns more than 5 percent in value of the stock of the corporation.

The determination as to whether property of the corporation in the hands of the corporation is, or in the hands of a shareholder would be property gain from the sale or exchange of which would under any provision of this part be considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182 shall be made as if all property of the corporation has been sold or exchanged to one person in one transaction.

(2) For purposes of subdivision (c), the term "Section 17415 asset" means, with respect to property held by any corporation, property described in subparagraphs (A), (B), (C), and (D) of paragraph (1), except that subparagraphs (A) and (C) shall apply in respect of any shareholder who owns more than 5 percent in value of the outstanding stock of the corporation (in lieu of any shareholder who owns more than 20 percent in value of such stock).

(f) (1) For purposes of this section, the term "net unrealized appreciation" means, with respect to the assets of a corporation, the amount by which—

(A) The unrealized appreciation in such assets on which there is unrealized appreciation, exceeds

(B) The unrealized depreciation in such assets on which there is unrealized depreciation.

(2) For purposes of paragraph (1) and subparagraph (A) of paragraph (1) of subdivision (e), the term "unrealized appreciation" means, with respect to any asset, the amount by which—

(A) The fair market value of such asset, exceeds

(B) The adjusted basis for determining gain from the sale or other disposition of such asset.

(3) For purposes of paragraph (1) and subparagraph (A) of paragraph (1) of subdivision (e), the term "unrealized depreciation" means, with respect to any asset, the amount by which—

(A) The adjusted basis for determining gain from the sale or other disposition of such asset, exceeds

(B) The fair market value of such asset.

(4) For purposes of this subdivision (but not subparagraph (A) of paragraph (1) of subdivision (e)), in the case of any asset on the sale or exchange of which only a portion of the gain would under any provision of this part be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182, there shall be taken into account only an amount of the unrealized appreciation in such asset which is equal to such portion of the gain.

(g) For purposes of this section, the net worth of a corporation, as of any day, is the amount by which—

(1) (A) The fair market value of all its assets at the close of such day, plus

(B) The amount of any distribution in complete liquidation made by it on or before such day, exceeds

(2) All its liabilities at the close of such day.

For purposes of this subdivision, the net worth of a corporation as of any day shall not take into account any increase in net worth during the one-year period ending on such day to the extent attributable to any amount received by it for stock, or as a contribution to capital or as paid-in surplus, if it appears that there was not a bona fide business purpose for the transaction in respect of which such amount was received.

(h) For purposes of subdivisions (a) and (d), the following persons shall be considered to be related to a shareholder:

(1) If the shareholder is an individual—

(A) His spouse, ancestors, and lineal descendants, and

(B) A corporation which is controlled by such shareholder.

(2) If the shareholder is a corporation—

(A) A corporation which controls, or is controlled by the shareholder, and

(B) If more than 50 percent in value of the outstanding stock of the shareholder is owned by any person, a corporation more than 50 percent in value of the outstanding stock of which is owned by the same person.

For purposes of determining the ownership of stock in applying paragraphs (1) and (2), the rules of Section 17289 shall apply, except that the family of an individual shall include only his spouse, ancestors, and lineal descendants. For purposes of this subdivision, control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of shares of all classes of stock of the corporation.

(i) For purposes of this section, the term "property used in the trade or business" means property described in Section 18182, without regard to any holding period therein provided.

(j) For purposes of this section (other than subdivision (h)), the ownership of stock shall be determined in the manner prescribed in Section 17414.

(k) In determining whether or not any corporation is a collapsible corporation within the meaning of Section 17412, the fact that such corporation, or such corporation with respect to any of its shareholders, does not meet the requirements of subdivision (a), (b), (c), or (d) of this section shall not be taken into account, and such determination, in the case of a corporation which does not meet such requirements, shall be made as if this section had not been enacted.

SEC. 53. Section 17461 of the Revenue and Taxation Code is amended to read:

17461. (a) For the purposes of Article 1 (commencing with Section 17321) to Article 7 (commencing with Section 17431), inclusive, of this chapter, the term "reorganization" means—

(1) A statutory merger or consolidation;

(2) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of stock of another corporation if, immediately after the acquisition, the acquiring corporation has control of such other corporation (whether or not such acquiring corporation had control immediately before the acquisition);

(3) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of substantially all of the

properties of another corporation, but in determining whether the exchange is solely for stock the assumption by the acquiring corporation of a liability of the other, or the fact that property acquired is subject to a liability, shall be disregarded;

(4) A transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor, or one or more of its shareholders (including persons who were shareholders immediately before the transfer), or any combination thereof, is in control of the corporation to which the assets are transferred; but only if, in pursuance of the plan, stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under Sections 17432 to 17439, inclusive;

(5) A recapitalization; or

(6) A mere change in identity, form, or place of organization, however effected.

(b) (1) If a transaction is described in both paragraph (3) and paragraph (4) of subdivision (a), then, for purposes of this chapter, such transactions shall be treated as described only in paragraph (4) of subdivision (a).

(2) If—

(A) One corporation acquires substantially all of the properties of another corporation,

(B) The acquisition would qualify under paragraph (3) of subdivision (a) but for the fact that the acquiring corporation exchanges money or other property in addition to voting stock, and

(C) The acquiring corporation acquires, solely for voting stock described in paragraph (3) of subdivision (a), property of the other corporation having a fair market value which is at least 80 percent of the fair market value of all of the property of the other corporation,

then such acquisition shall (subject to paragraph (1) of this subdivision) be treated as qualifying under paragraph (3) of subdivision (a). Solely for the purpose of determining whether subparagraph (C) of the preceding sentence applies, the amount of any liability assumed by the acquiring corporation, and the amount of any liability to which any property acquired by the acquiring corporation is subject, shall be treated as money paid for the property.

(3) A transaction otherwise qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) shall not be disqualified by reason of the fact that part or all of the assets which were acquired in the transaction are transferred to a corporation controlled by the corporation acquiring such assets.

(4) The acquisition by one corporation, in exchange for stock of a corporation (referred to in this paragraph as

"controlling corporation") which is in control of the acquiring corporation, of substantially all of the properties of another corporation which in the transaction is merged into the acquiring corporation shall not disqualify a transaction under paragraph (1) of subdivision (a), if—

(A) Such transaction would have qualified under paragraph (1) of subdivision (a) if the merger had been into the controlling corporation, and

(B) No stock of the acquiring corporation is used in the transaction.

(5) A transaction otherwise qualifying under paragraph (1) of subdivision (a) shall not be disqualified by reason of the fact that stock of a corporation (referred to in this paragraph as the "controlling corporation") which before the merger was in control of the merged corporation is used in the transaction, if—

(A) After the transaction, the corporation surviving the merger holds substantially all of its properties and of the properties of the merged corporation (other than stock of the controlling corporation distributed in the transaction); and

(B) In the transaction, former shareholders of the surviving corporation exchanged, for an amount of voting stock of the controlling corporation, an amount of stock in the surviving corporation which constitutes control of such corporation.

(c) The amendments made to this section by the 1971 Regular Session of the Legislature shall apply to statutory mergers occurring after December 31, 1970.

SEC. 54. Section 17462 of the Revenue and Taxation Code is amended to read:

17462. For purposes of this article, the term "a party to a reorganization" includes—

(a) A corporation resulting from a reorganization, and

(b) Both corporations, in the case of a reorganization resulting from the acquisition by one corporation of stock or properties of another.

In the case of a reorganization qualifying under paragraph (2) or paragraph (3) of subdivision (a) of Section 17461, if the stock exchanged for the stock or properties is stock of a corporation which is in control of the acquiring corporation, the term "a party to reorganization" includes the corporation so controlling the acquiring corporation. In the case of a reorganization qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) of Section 17461 by reason of paragraph (3) of subdivision (b) of Section 17461, the term "a party to a reorganization" includes the corporation controlling the corporation to which the acquired assets or stock are transferred. In the case of a reorganization qualifying under paragraph (1) of subdivision (a) by reason

of paragraph (4) of subdivision (b) of Section 17461, the term "a party to a reorganization" includes the controlling corporation referred to in such paragraph (4) of subdivision (b). In the case of a reorganization qualifying under paragraph (1) of subdivision (a) of Section 17461, by reason of paragraph (5) of subdivision (b) of Section 17461, the term "party to a reorganization" includes the controlling corporation referred to in paragraph (5) of subdivision (b) of Section 17461.

(c) The amendments made to this section by the 1971 Regular Session of the Legislature shall apply to statutory mergers occurring after December 31, 1970.

SEC. 55. Chapter 4.5 (commencing with Section 17490) is added to Part 10 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 4.5. ADMINISTRATION

17490. (a) The Franchise Tax Board is authorized to prescribe such regulations as may be necessary or appropriate to determine whether an interest in a corporation is to be treated for purposes of this part as stock or indebtedness.

(b) The regulations prescribed under this section shall set forth factors which are to be taken into account in determining with respect to a particular factual situation whether a debtor-creditor relationship exists or a corporation-shareholder relationship exists. The factors so set forth in the regulations may include among other factors:

(1) Whether there is a written unconditional promise to pay on demand or on a specified date a sum certain in money in return for an adequate consideration in money or money's worth, and to pay a fixed rate of interest,

(2) Whether there is subordination to or preference over any indebtedness of the corporation,

(3) The ratio of debt to equity of the corporation,

(4) Whether there is convertibility into the stock of the corporation, and

(5) The relationship between holdings of stock in the corporation and holdings of the interest in question.

SEC. 56. Section 17502.8 of the Revenue and Taxation Code is amended to read:

17502.8. (a) In the case of a trust forming part of a pension plan which has been determined by the Franchise Tax Board to constitute a qualified trust under Section 17501 and to be exempt from taxation under Section 17631 for a period beginning after contributions were first made to or for such trust, if it is shown to the satisfaction of the Franchise Tax Board that—

(1) Such trust was created pursuant to a collective

bargaining agreement between employee representatives and one or more employers who are not related,

(2) Any disbursements of contributions made to or for such trust before the time as of which the Franchise Tax Board determined that the trust constituted a qualified trust, substantially complied with the terms of the trust, and the plan of which the trust is a part, as subsequently qualified, and

(3) Before the time as of which the Franchise Tax Board Determined that the trust constitutes a qualified trust, the contributions to or for such trust were not used in a manner which would jeopardize the interest of its beneficiaries,

then such trust shall be considered as having constituted a qualified trust under Section 17501 and as having been exempt from taxation under Section 17631 for the period beginning on the date on which contributions were first made to or for such trust and ending on the date such trust first constituted (without regard to this section) a qualified trust under Section 17501.

(b) The amendments made to paragraph (1) of subdivision (a) by the 1971 Regular Session of the Legislature shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954, but only with respect to contributions made after December 31, 1954.

SEC. 57. Section 17503 of the Revenue and Taxation Code is amended to read:

17503. (a) Except as provided in subdivision (b), the amount actually distributed or made available to any distributee by any employees' trust described in Section 17501 which is exempt from tax under Section 17631 shall be taxable to him, in the year in which so distributed or made available, under Sections 17101 to 17112.7, inclusive (relating to annuities). The amount actually distributed or made available to any distributee shall not include net unrealized appreciation in securities of the employer corporation attributable to the amount contributed by the employee. Such net unrealized appreciation and the resulting adjustments to basis of such securities shall be determined in accordance with regulations prescribed by the Franchise Tax Board.

(b) In the case of an employees' trust described in Section 17501, which is exempt from tax under Section 17631, if the total distributions payable with respect to any employee are paid to the distributee within one taxable year of the distributee on account of the employee's death or other separation from the service, or on account of the death of the employee after his separation from the service, the amount of such distribution, to the extent exceeding the amount contributed by the employee (determined by applying

Section 17106), which employee contributions shall be reduced by any amounts theretofore distributed to him which were not includable in gross income, shall be considered a gain from the sale or exchange of a capital asset held for more than six months.

Where such total distributions include securities of the employer corporation, there shall be excluded from such excess the net unrealized appreciation attributable to that part of the total distributions which consists of the securities of the employer corporation so distributed. The amount of such net unrealized appreciation and the resulting adjustments to basis of the securities of the employer corporation so distributed shall be determined in accordance with regulations prescribed by the Franchise Tax Board.

This subdivision (b) shall not apply to distributions paid to any distributee to the extent such distributions are attributable to contributions made on behalf of the employee while he was an employee within the meaning of subdivision (a) of Section 17502.2.

(c) For purposes of this section—

(1) The term "securities" means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form.

(2) The term "securities of the employer corporation" includes securities of a parent or subsidiary corporation (as defined in subdivisions (e) and (f) of Section 17535) of the employer corporation.

(3) The term "total distributions payable" means the balance to the credit of an employee which becomes payable to a distributee on account of the employee's death or other separation from the service, or on account of his death after separation from the service.

(d) The first sentence of subdivision (b) shall apply to a distribution paid after December 31, 1969 only to the extent that it does not exceed the sum of—

(1) The benefits accrued by the employee on behalf of whom it is paid during plan years beginning before January 1, 1970, and

(2) The portion of the benefits accrued by such employee during plan years beginning after December 31, 1969, which the distributee establishes does not consist of the employee's allocable share of employer contributions to the trust by which such distribution is paid.

The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this subdivision.

SEC. 58. Section 17504 of the Revenue and Taxation Code is amended to read:

17504. Contributions to an employees' trust made by an employer during a taxable year of the employer which ends

within or with a taxable year of the trust for which the trust is not exempt from tax under Section 17631 shall be included in the gross income of the employee in accordance with Section 17122.7 (relating to property transferred in connection with performance of services), except that the value of the employee's interest in the trust shall be substituted for the fair market value of the property for purposes of applying such section. The amount actually distributed or made available to any distributee by any such trust shall be taxable to him in the year in which so distributed or made available, under Sections 17101 to 17112.7, inclusive (relating to annuities), except that distributions of income of such trust before the annuity starting date (as defined in subdivision (d) of Section 17103) shall be included in the gross income of the employee without regard to subdivision (a) of Section 17105 (relating to amount not received as annuities). A beneficiary of any such trust shall not be considered the owner of any portion of such trust under Article 5 (commencing with Section 17781) of Chapter 9 (relating to grantors and others treated as substantial owners).

SEC. 59. Section 17511 of the Revenue and Taxation Code is amended to read:

17511. Except as provided in subdivision (a), if an annuity contract is purchased by an employer for an employee under a plan which meets the requirements of Section 17515 (whether or not the employer deducts the amounts paid for the contract under such section), the employee shall include in his gross income the amounts received under such contract for the year received as provided in Sections 17101 to 17112.7, inclusive (relating to annuities).

(a) If—

(1) An annuity contract is purchased by an employer for an employee under a plan described in the first paragraph;

(2) Such plan requires that refunds of contributions with respect to annuity contracts purchased under such plan be used to reduce subsequent premiums on the contracts under the plan; and

(3) The total amounts payable by reason of an employee's death or other separation from the service, or by reason of the death of an employee after the employee's separation from the service, are paid to the payee within one taxable year of the payee,

then the amount of such payments, to the extent exceeding the amount contributed by the employee, which employee contributions shall be reduced by any amounts theretofore paid to him which were not includable in gross income, shall be considered a gain from the sale or exchange of a capital asset held for more than six months. This subdivision shall not apply to amounts paid to any payee to the extent such

amounts are attributable to contributions made on behalf of the employee while he was an employee within the meaning of subdivision (a) of Section 17502.2.

(b) For purposes of subdivision (a), the term "total amounts" means the balance to the credit of an employee which becomes payable to the payee by reason of the employee's death or other separation from the service, or by reason of his death after separation from the service.

(c) Subdivision (a) shall apply to a payment paid after December 31, 1969, only to the extent it does not exceed the sum of—

(1) The benefits accrued by the employee on behalf of whom it is paid during plan years beginning before January 1, 1970, and

(2) The portion of the benefits accrued by such employee during plan years beginning after December 31, 1969, which the payee establishes does not consist of the employee's allocable share of employer contributions under the plan under which the annuity contract is purchased.

The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this subdivision.

(d) For purposes of this section, the term "employee" includes an individual who is an employee within the meaning of subdivision (a) of Section 17502.2, and the employer of such individual is the person treated as his employer under subdivision (d) of Section 17502.2.

SEC. 60. Section 17512 of the Revenue and Taxation Code is amended to read:

17512. (a) (1) If—

(A) An annuity contract is purchased—

(i) For an employee by an employer described in Section 23701d which is exempt from tax under Section 23701, or

(ii) For an employee (other than an employee described in clause (i) of subparagraph (A)), who performs services for an educational institution (as defined in subdivision (c) of Section 17150), by an employer which is a state, a political subdivision of a state, or an agency or instrumentality of any one or more of the foregoing,

(B) Such annuity contract is not subject to Section 17511, and

(C) The employee's rights under the contract are nonforfeitable, except for failure to pay future premiums,

then amounts contributed by such employer for such annuity contract on or after such rights become nonforfeitable shall be excluded from the gross income of the employee for the taxable year to the extent that the aggregate of such amounts does not exceed the exclusion allowance for such taxable year. The employee shall include in his gross income the amounts

received under such contract for the year received as provided in Sections 17101 to 17112.7, inclusive (relating to annuities).

(2) For purposes of this section, the exclusion allowance for any employee for the taxable year is an amount equal to the excess, if any, of—

(A) The amount determined by multiplying (i) 20 percent of his includable compensation, by (ii) the number of years of service, over

(B) The aggregate of the amounts contributed by the employer for annuity contracts and excludable from the gross income of the employee for any prior taxable year.

(3) For purposes of this section, the term "includable compensation" means, in the case of any employee, the amount of compensation which is received from the employer described in subparagraph (A) of paragraph (1), and which is includable in gross income (computed without regard to subdivision (d) of Section 17139 and Section 17529) for the most recent period (ending not later than the close of the taxable year) which under paragraph (4) may be counted as one year of service. Such term does not include any amount contributed by the employer for any annuity contract to which this section applies.

(4) In determining the number of years of service for purposes of this section there shall be included—

(A) One year for each full year during which the individual was a full-time employee of the organization purchasing the annuity for him, and

(B) A fraction of a year (determined in accordance with regulations prescribed by the Franchise Tax Board) for each full year during which such individual was a part-time employee of such organization and for each part of a year during which such individual was a full-time or part-time employee of such organization.

In no case shall the number of years of service be less than one.

(5) If for any taxable year of the employee this section applies to two or more annuity contracts purchased by the employer, such contracts shall be treated as one contract.

(6) For purposes of this section and Section 17106 (relating to special rules for computing employees' contributions to annuity contracts), if rights of the employee under an annuity contract described in subparagraphs (A) and (B) of paragraph (1) change from forfeitable to nonforfeitable rights, then the amount (determined without regard to this subdivision) includable in gross income by reason of such change shall be treated as an amount contributed by the employer for such annuity contract as of the time such rights become nonforfeitable.

(b) Premiums paid by an employer for an annuity contract which is not subject to Section 17511 shall be included in the gross income of the employee in accordance with Section 17122.7 (relating to property transferred in connection with performance of services), except that the value of such contract shall be substituted for the fair market value of the property for purposes of applying such section. The preceding sentence shall not apply to that portion of the premiums paid which is excluded from gross income under subdivision (a). The amount actually paid or made available to any beneficiary under such contract shall be taxable to him in the year in which so paid or made available under Sections 17101 to 17112.7, inclusive (relating to annuities).

SEC. 61. Section 17518 of the Revenue and Taxation Code is amended to read:

17518. If the plan is not one included in Section 17514, 17515, or 17516, in the taxable year in which an amount attributable to the contribution is includable in the gross income of employees participating in the plan, but, in the case of a plan in which more than one employee participates only if separate accounts are maintained for each employee.

SEC. 62. Section 17526 of the Revenue and Taxation Code is amended to read:

17526. (a) A plan of an employer for the purchase for and distribution to his employees or their beneficiaries of United States bonds described in subdivision (b) shall constitute a qualified bond purchase plan under this section if—

(1) The plan meets the requirements of subdivisions (c), (d), (e), (f), (g), and (h) of Section 17501 and, if applicable, the requirements of subdivisions (i) and (j) of Section 17501 and of Section 17502.3 (other than subdivision (a), paragraph (2) of subdivision (e) and subdivision (h)); and

(2) Contributions under the plan are used solely to purchase for employees or their beneficiaries United States bonds described in subdivision (b).

(b) This section shall apply only to a bond issued under the Second Liberty Bond Act, as amended, which by its terms, or by regulations prescribed by the Secretary of the United States Treasury under such act—

(1) Provides for payment of interest, or investment yield, only upon redemption;

(2) May be purchased only in the name of an individual;

(3) Ceases to bear interest, or provide investment yield, not later than five years after the death of the individual in whose name it is purchased;

(4) May be redeemed before the death of the individual in whose name it is purchased only if such individual—

(A) Has attained the age of 59½ years, or

(B) Has become disabled (within the meaning of

subdivision (g) of Section 17112.5); and

(5) Is nontransferable.

This section shall apply to a bond described in subdivision (b) only if it is purchased in the name of the employee.

(c) Contributions paid by an employer to or under a qualified bond purchase plan shall be allowed as a deduction in an amount determined under Sections 17513 to 17525, inclusive, in the same manner and to the same extent as if such contributions were made to a trust described in Section 17501 which is exempt from tax under Section 17631.

(d) (1) For purposes of this part, in the case of a distributee of a bond described in subdivision (b) under a qualified bond purchase plan, or from a trust described in Section 17501 which is exempt from tax under Section 17631, gross income does not include any amount attributable to the receipt of such bond. Upon redemption of such bond, the proceeds shall be subject to taxation under this part, but the provisions of Sections 17101 to 17112.7, inclusive (relating to annuities, etc.) and Sections 18183, 18184, and 18185 (relating to bonds and other evidences of indebtedness) shall not apply.

(2) The basis of any bond received by a distributee under a qualified bond purchase plan—

(A) If such bond is distributed to an employee, or with respect to an employee, who at the time of purchase of the bond, was an employee other than an employee within the meaning of subdivision (a) of Section 17502.2, shall be the amount of the contributions by the employee which were used to purchase the bond, and

(B) If such bond is distributed to an employee, or with respect to an employee, who, at the time of purchase of the bond, was an employee within the meaning of subdivision (a) of Section 17502.2, shall be the amount of the contributions used to purchase the bond which were made on behalf of such employee and were not allowed as a deduction under subdivision (c).

The basis of any bond described in subdivision (b) received by a distributee from a trust described in Section 17501 which is exempt from tax under Section 17631 shall be determined under regulations prescribed by the Franchise Tax Board.

(e) Section 17112.7 and subdivision (b) of Section 17503 shall not apply to any bond described in subdivision (b) distributed to any distributee and, for purposes of applying such sections, any such bond distributed to any distributee and any such bond to the credit of any employee shall not be taken into account.

(f) For purposes of this section, the term "employee" includes an individual who is an employee within the meaning of subdivision (a) of Section 17502.2, and the employer of such individual shall be the person treated as his

employer under subdivision (d) of Section 17502.2.

(g) At the time of purchase of any bond to which this section applies, proof of such purchase shall be furnished in such form as will enable the purchaser, and the employee in whose name such bond is purchased, to comply with the provisions of this section.

(h) The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the provisions of this section.

SEC. 63. Section 17527 of the Revenue and Taxation Code is amended to read:

17527. (a) For purposes of applying this article with respect to a pension, profit-sharing or stock bonus plan described in Section 17501, an annuity plan described in Section 17511, or a bond purchase plan described in subdivision (a) of Section 17526, of a domestic corporation (i.e., a corporation created or organized within the United States), an individual who is a citizen of the United States and who is an employee of a foreign subsidiary (as defined in Section 3121(*l*)(8) of the Internal Revenue Code of 1954) of such domestic corporation shall be treated as an employee of such domestic corporation, if—

(1) Such domestic corporation has entered into an agreement under Section 3121(*l*) of the Internal Revenue Code of 1954 which applies to the foreign subsidiary of which such individual is an employee;

(2) The plan of such domestic corporation expressly provides for contributions or benefits for individuals who are citizens of the United States and who are employees of its foreign subsidiaries to which an agreement entered into by such domestic corporation under Section 3121(*l*) of the Internal Revenue Code of 1954 applies; and

(3) Contributions under a funded plan of deferred compensation (whether or not a plan described in Section 17501, 17511, or subdivision (a) of Section 17526) are not provided by any other person with respect to the remuneration paid to such individual by the foreign subsidiary.

(b) (1) For purposes of applying paragraph (2) of subdivision (c) and subdivision (d) of Section 17501 with respect to an individual who is treated as an employee of a domestic corporation under subdivision (a)—

(A) If such individual is an officer, shareholder, or person whose principal duties consist in supervising the work of other employees of a foreign subsidiary of such domestic corporation, he shall be treated as having such capacity with respect to such domestic corporation; and

(B) The determination of whether such individual is a highly compensated employee shall be made by treating such

individual's total compensation (determined with the application of paragraph (2) of this subdivision) as compensation paid by such domestic corporation and by determining such individual's status with regard to such domestic corporation.

(2) For purposes of applying subdivision (e) of Section 17501 with respect to an individual who is treated as an employee of a domestic corporation under subdivision (a)—

(A) The total compensation of such individual shall be the remuneration paid to such individual by the foreign subsidiary which would constitute his total compensation if his services had been performed for such domestic corporation, and the basic or regular rate of compensation of such individual shall be determined under regulations prescribed by the Franchise Tax Board; and

(B) Such individual shall be treated as having paid the amount paid by such domestic corporation which is equivalent to the tax imposed by Section 3101 of the Internal Revenue Code of 1954.

(c) For purposes of applying Section 17112.7, subdivision (b) of Section 17503, and subdivisions (a) and (b) of Section 17511 with respect to an individual who is treated as an employee of a domestic corporation under subdivision (a), such individual shall not be considered as separated from the service of such domestic corporation solely by reason of the fact that—

(1) The agreement entered into by such domestic corporation under Section 3121(*l*) of the Internal Revenue Code of 1954 which covers the employment of such individuals is terminated under the provisions of such section,

(2) Such individual becomes an employee of a foreign subsidiary with respect to which such agreement does not apply,

(3) Such individual ceases to be an employee of the foreign subsidiary by reason of which he is treated as an employee of such domestic corporation, if he becomes an employee of another corporation controlled by such domestic corporation, or

(4) The provision of the plan described in paragraph (2) of subdivision (a) is terminated.

(d) For purposes of applying Sections 17513 to 17525, inclusive, and subdivision (c) of Section 17526 with respect to contributions made to or under a pension, profit-sharing, stock bonus, annuity, or bond purchase plan by a domestic corporation, or by another corporation which is entitled to deduct its contributions under subdivision (b) of Section 17516, on behalf of an individual who is treated as an employee of such domestic corporation under subdivision (a)—

(1) Except as provided in paragraph (2), no deduction shall be allowed to such domestic corporation or to any other corporation which is entitled to deduct its contributions under such sections,

(2) There shall be allowed as a deduction to the foreign subsidiary of which such individual is an employee an amount equal to the amount which (but for paragraph (1)), would be deductible under Sections 17513 to 17525, inclusive, (or subdivision (c) of Section 17526) by the domestic corporation if he were an employee of the domestic corporation, and

(3) Any reference to compensation shall be considered to be a reference to the total compensation of such individual (determined with the application of paragraph (2) of subdivision (b)).

Any amount deductible by a foreign subsidiary under this subdivision shall be deductible for its taxable year with or within which the taxable year of such domestic corporation ends.

(e) An individual who is treated as an employee of a domestic corporation under subdivision (a) shall also be treated as an employee of such domestic corporation, with respect to the plan described in paragraph (2) of subdivision (a), for purposes of applying the following provisions of this part:

(1) Section 17104 (relating to employees' annuities).

(2) Section 17106 (relating to special rules for computing employees' contributions).

(3) Section 17132 (relating to employees' death benefits).

SEC. 64. Section 17528 of the Revenue and Taxation Code is amended to read:

17528. (a) (1) For purposes of applying this article with respect to a pension, profit-sharing, or stock bonus plan described in Section 17501, an annuity plan described in Section 17511, or a bond purchase plan described in subdivision (a) of Section 17526, of a domestic parent corporation (i.e., a corporation created or organized within the United States), an individual who is a citizen of the United States and who is an employee of a domestic subsidiary (within the meaning of paragraph (2)) of such domestic parent corporation shall be treated as an employee of such domestic parent corporation, if—

(A) The plan of such domestic parent corporation expressly provides for contributions or benefits for individuals who are citizens of the United States and who are employees of its domestic subsidiaries; and

(B) Contributions under a funded plan of deferred compensation (whether or not a plan described in Section 17501, 17511, or subdivision (a) of Section 17526) are not provided by any other person with respect to the

remuneration paid to such individual by the domestic subsidiary.

(2) For purposes of this section—

(A) A corporation shall be treated as a domestic subsidiary for any taxable year only if—

(i) Such corporation is a domestic corporation (i.e., created or organized within the United States) 80 percent or more of the outstanding voting stock of which is owned by another domestic corporation;

(ii) Ninety-five percent or more of its gross income for the three-year period immediately preceding the close of its taxable year which ends on or before the close of the taxable year of such other domestic corporation (or for such part of such period during which the corporation was in existence) was derived from sources without the United States; and

(iii) Ninety percent or more of its gross income for such period (or such part) was derived from the active conduct of a trade or business. If for the period (or part thereof) referred to in clauses (ii) and (iii) such corporation has no gross income, the provisions of clauses (ii) and (iii) shall be treated as satisfied if it is reasonable to anticipate that, with respect to the first taxable year thereafter for which such corporation has gross income, the provisions of such clauses will be satisfied.

(B) The domestic parent corporation of any domestic subsidiary is the domestic corporation which owns 80 percent or more of the outstanding voting stock of such domestic subsidiary.

(b) (1) For purposes of applying paragraph (2) of subdivision (c) and subdivision (d) of Section 17501 with respect to an individual who is treated as an employee of a domestic parent corporation under subdivision (a)—

(A) If such individual is an officer, shareholder, or person whose principal duties consist in supervising the work of other employees of a domestic subsidiary, he shall be treated as having such capacity with respect to such domestic parent corporation; and

(B) The determination of whether such individual is a highly compensated employee shall be made by treating such individual's total compensation (determined with the application of paragraph (2) of this subdivision) as compensation paid by such domestic parent corporation and by determining such individual's status with regard to such domestic parent corporation.

(2) For purposes of applying subdivision (e) of Section 17501 with respect to an individual who is treated as an employee of a domestic parent corporation under subdivision (a), the total compensation of such individual shall be the remuneration paid to such individual by the domestic

subsidiary which would constitute his total compensation if his services had been performed for such domestic parent corporation, and the basic or regular rate of compensation of such individual shall be determined under regulations prescribed by the Franchise Tax Board.

(c) For purposes of applying Section 17112.7, subdivision (b) of Section 17503, and subdivision (a) of Section 17511 with respect to an individual who is treated as an employee of a domestic parent corporation under subdivision (a), such individual shall not be considered as separated from the service of such domestic parent corporation solely by reason of the fact that—

(1) The corporation of which such individual is an employee ceases, for any taxable year, to be a domestic subsidiary within the meaning of subparagraph (A) of paragraph (2) of subdivision (a),

(2) Such individual ceases to be an employee of a domestic subsidiary of such domestic parent corporation, if he becomes an employee of another corporation controlled by such domestic parent corporation, or

(3) The provision of the plan described in subparagraph (A) of paragraph (1) of subdivision (a) is terminated.

(d) For purposes of applying Sections 17513 to 17525, inclusive, and subdivision (c) of Section 17526 with respect to contributions made to or under a pension, profit-sharing, stock bonus, annuity, or bond purchase plan by a domestic parent corporation (i.e., a corporation created or organized within the United States), or by another corporation which is entitled to deduct its contributions under subdivision (b) of Section 17516, on behalf of an individual who is treated as an employee of such domestic corporation under subdivision (a)—

(1) Except as provided in paragraph (2), no deduction shall be allowed to such domestic parent corporation or to any other corporation which is entitled to deduct its contributions under such sections,

(2) There shall be allowed as a deduction to the domestic subsidiary of which such individual is an employee an amount equal to the amount which (but for paragraph (1)) would be deductible under Sections 17513 to 17525, inclusive (or subdivision (c) of Section 17526), by the domestic parent corporation if he were an employee of the domestic parent corporation, and

(3) Any reference to compensation shall be considered to be a reference to the total compensation of such individual (determined with the application of paragraph (2) of subdivision (b)).

Any amount deductible by a domestic subsidiary under this subdivision shall be deductible for its taxable year with or

within which the taxable year of such domestic parent corporation ends.

(e) An individual who is treated as an employee of a domestic parent corporation under subdivision (a) shall also be treated as an employee of such domestic parent corporation, with respect to the plan described in subparagraph (A) of paragraph (1) of subdivision (a), for purposes of applying the following provisions of this part:

(1) Section 17104 (relating to employees' annuities).

(2) Section 17106 (relating to special rules for computing employees' contributions).

(3) Section 17132 (relating to employees' death benefits).

SEC. 65. Section 17578 of the Revenue and Taxation Code is amended to read

17578. (a) Income from—

(1) A sale or other disposition of real property, or

(2) A casual sale or other casual disposition of personal property (other than property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year) for a price exceeding one thousand dollars ($1,000),

may (under regulations prescribed by the Franchise Tax Board) be returned on the basis and in the manner prescribed in Section 17577.

(b) Subdivision (a) shall apply—

(1) In the case of a sale or other disposition during a taxable year beginning after December 31, 1954, only if in the taxable year of the sale or other disposition—

(A) There are no payments, or

(B) The payments (exclusive of evidences of indebtedness of the purchaser) do not exceed 30 percent of the selling price.

(2) In the case of a sale or other disposition during a taxable year beginning before January 1, 1955, only if the income was (by reason of Section 17532 of the Personal Income Tax Law of 1954) returnable on the basis and in the manner prescribed in Section 17531 of such law.

(c) In applying this section, a bond or other evidence of indebtedness which is payable on demand, or which is issued by a corporation or a government or political subdivision thereof (1) with interest coupons attached or in registered form (other than one in registered form which the taxpayer establishes will not be readily tradable in an established securities market), or (2) in any other form designed to render such bond or other evidence of indebtedness readily tradable in an established securities market, shall not be treated as an evidence of indebtedness of the purchaser.

(d) The provisions of subdivision (c) shall apply to sales or other dispositions occurring after December 31, 1970, which

are not made pursuant to a binding written contract entered into on or before May 27, 1969.

SEC. 66. Section 17651 of the Revenue and Taxation Code is amended to read:

17651. (a) There is hereby imposed for each taxable year on the unrelated business taxable income (as defined in Section 23732 of the Bank and Corporation Tax Law) of every trust a tax computed as provided in Section 17041. In making such computation for purposes of this section, the term "taxable income" as used in Section 17041 shall be read as "unrelated business taxable income" as defined in Sections 23732, 23733, 23734 and 23735 of the Bank and Corporation Tax Law.

(b) The tax imposed by subdivision (a) shall apply in the case of any trust which is exempt, except as provided in this article, from taxation under this part by reason of Section 17631 and which, if it were not for such exemption, would be subject to Chapter 9 (commencing at Section 17731) relating to estates, trusts, beneficiaries, and decedents.

SEC. 67. Section 17652 of the Revenue and Taxation Code is repealed.

SEC. 68. Section 17653 of the Revenue and Taxation Code is repealed.

SEC. 69. Section 17654 of the Revenue and Taxation Code is repealed.

SEC. 70. Section 17655 of the Revenue and Taxation Code is repealed.

SEC. 71. Section 17656 of the Revenue and Taxation Code is repealed.

SEC. 72. Section 17657 of the Revenue and Taxation Code is repealed.

SEC. 73. Section 17658 of the Revenue and Taxation Code is repealed.

SEC. 74. Section 17659 of the Revenue and Taxation Code is repealed.

SEC. 75. Section 17660 of the Revenue and Taxation Code is repealed.

SEC. 76. Section 17671 of the Revenue and Taxation Code is amended to read:

17671. For purposes of this part, the term "common trust fund" means a fund maintained by a bank—

(a) Exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as a trustee, executor, administrator, or guardian; and

(b) In conformity with the rules and regulations, prevailing from time to time, of the Board of Governors of the Federal Reserve System or the Comptroller of the Currency pertaining to the collective investment of trust funds by

national banks; or

(c) A fund established and operated in accordance with the provisions of the Bank Act by a trust company, bank, or other corporation qualified under the Bank Act to engage in the trust business in California.

SEC. 77. Section 17683 of the Revenue and Taxation Code is repealed.

SEC. 78. Section 17684 of the Revenue and Taxation Code is repealed.

SEC. 79. Section 17685 of the Revenue and Taxation Code is repealed.

SEC. 80. Section 17686 of the Revenue and Taxation Code is amended to read:

17686. In the case of oil and gas wells the allowance for depletion under Section 17681 shall be 22 percent of the gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property. The allowance shall not exceed 50 percent of the taxable income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance be less than it would be if computed without reference to this section. For purposes of the preceding sentence, the allowable deductions taken into account with respect to expenses of oil and gas wells in computing the taxable income from the property shall be decreased by an amount equal to so much of any gain which (A) is treated under Section 18211 (relating to gain from disposition of certain depreciable property) as gain from the sale or exchange of property which is neither a capital asset nor property described in Sections 18181 and 18182, and (B) is properly allocable to the property.

SEC. 81. Section 17689 of the Revenue and Taxation Code is amended to read:

17689. (a) In the case of expenditures paid or incurred during the taxable year for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral, and paid or incurred before the beginning of the development stage of the mine or deposit, there shall be allowed as a deduction in computing taxable income so much of such expenditures as does not exceed seventy-five thousand dollars ($75,000). This section shall apply only with respect to the amount of such expenditures which, but for this section, would not be allowable as a deduction for the taxable year. This section shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in Section 17208, but allowances for depreciation shall be considered, for purposes of this section, as expenditures paid or incurred. In no case

shall this section apply with respect to amounts paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of oil or gas.

(b) If the taxpayer elects, in accordance with regulations prescribed by the Franchise Tax Board, to treat as deferred expenses any portion of the amount deductible for the taxable year under subdivision (a), such portion shall not be deductible in the manner provided in subdivision (a) but shall be deductible on a ratable basis as the units of produced ores or minerals discovered or explored by reason of such expenditures are sold. An election made under this subdivision for any taxable year shall be binding for such year

(c) This section shall not apply to any amount paid or incurred in any taxable year if in any four preceding years a deduction or election under this section, or the corresponding provision of prior laws, has been allowed to, or exercised by—

(1) The taxpayer; or

(2) The individual or corporation who has transferred to the taxpayer any mineral property.

Paragraph (2) shall apply only if (A) the taxpayer was required to take into account under Section 17314.7 of the Personal Income Tax Law of 1954, the deduction allowed to or election exercised by such individual or corporation; or (B) the taxpayer acquired any mineral property under circumstances which make Section 17883, 17892, or 18135, or subdivision (b) of Section 24504, Section 24552, 24553, 24575, subdivision (a) of Section 24577, Section 24961 or 24988, of the Bank and Corporation Tax Law apply to such transfer.

(d) The amount of expenditures which are treated under subdivision (b) as deferred expenses shall be taken into account in computing the adjusted basis of the mine or deposit, but such amounts, and the adjustments to basis provided in subdivision (j) of Section 18052 shall be disregarded in determining the adjusted basis of the property for the purpose of computing a deduction for depletion under Section 17681.

(e) The provisions of this section shall not apply with respect to expenditures paid or incurred after December 31, 1970.

SEC. 82. Section 17689.5 is added to the Revenue and Taxation Code, to read:

17689.5. (a) (1) At the election of the taxpayer, expenditures paid or incurred during the taxable year for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral, and paid or incurred before the beginning of the development stage of the mine, shall be allowed as a deduction in computing taxable income. This subdivision shall apply only with respect to the amount of such expenditures which, but for this

subdivision, would not be allowable as a deduction for the taxable year. This subdivision shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in Sections 17208 and 17209, but allowances for depreciation shall be considered, for purposes of this subdivision, as expenditures paid or incurred. In no case shall this subdivision apply with respect to amounts paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of oil or gas or of any mineral with respect to which a deduction for percentage depletion is not allowable under Sections 17686 to 17688, inclusive.

(2) (A) Any election under this subdivision shall be made in such manner as the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for the taxable year may be made at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this part for the taxable year. Such an election for the taxable year shall apply to all expenditures described in paragraph (1) paid or incurred by the taxpayer during the taxable year or during any subsequent taxable year.

(C) The statutory period for the assessment of any deficiency for any taxable year, to the extent such deficiency is attributable to an election or revocation of an election under this subdivision, shall not expire before the last day of the three-year period beginning on the day after the date on which such election or revocation of election is made; and such deficiency may be assessed at any time before the expiration of such three-year period, notwithstanding any law or rule of law which would otherwise prevent such assessment.

(b) (1) If, in any taxable year, any mine with respect to which expenditures were deducted pursuant to subdivision (a) reaches the producing state, then—

(A) If the taxpayer so elects with respect to all such mines reaching the producing stage during the taxable year, he shall include in gross income for the taxable year an amount equal to the adjusted exploration expenditures with respect to such mines, and the amount so included in income shall be treated for purposes of this part as expenditures which (i) are paid or incurred on the respective dates on which the mines reach the producing stage, and (ii) are properly chargeable to capital account.

(B) If subparagraph (A) does not apply with respect to any such mine, then the deduction for depletion under Section 17681 with respect to the property shall be disallowed until the amount of depletion which would be allowable but for this

subparagraph equals the amount of the adjusted exploration expenditures with respect to such mine.

(2) (A) Any election under this subdivision shall be made in such manner as the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for any taxable year may be made or changed not later than the time prescribed by law for filing the return (including extensions thereof) for such taxable year.

(c) If an election has been made under subdivision (a) with respect to expenditures relating to a mining property and the taxpayer receives or accrues a bonus or a royalty with respect to such property, then the deduction for depletion under Section 17681 with respect to the bonus or royalty shall be disallowed until the amount of depletion which would be allowable but for this subdivision equals the amount of the adjusted exploration expenditures with respect to the property to which the bonus or royalty relates.

(d) (1) Except as otherwise provided in this subdivision, if mining property is disposed of the lower of—

(A) The adjusted exploration expenditures with respect to such property, or

(B) The excess of—

(i) The amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value (in the case of any other disposition), over

(ii) The adjusted basis of such property,

shall be treated as gain from the sale or exchange of property which is neither a capital asset or property described in Section 18181 and 18182. Such gain shall be recognized notwithstanding any other provision of this part.

(2) For purposes of paragraph (1)—

(A) In the case of the disposition of a portion of a mining property (other than an undivided interest), the entire amount of the adjusted exploration expenditures with respect to such property shall be treated as attributable to such portion to the extent of the amount of the gain to which paragraph (1) applies.

(B) In the case of the disposition of an undivided interest in a mining property (or a portion thereof), a proportionate part of the adjusted exploration expenditures with respect to such property shall be treated as attributable to such undivided interest to the extent of the amount of the gain to which paragraph (1) applies.

This paragraph shall not apply to any expenditure to the extent the taxpayer establishes to the satisfaction of the Franchise Tax Board that such expenditure relates neither to the portion (or interest therein) disposed of nor to any mine, in the property held by the taxpayer before the disposition

which has reached the producing stage.

(3) Paragraphs (1), (2), and (3) of subdivision (b) of Section 18211 (relating to exceptions and limitations with respect to gain from disposition of certain depreciable property) shall apply in respect of this subdivision in the same manner and with the same effect as if references in subdivision (b) of Section 18211 to Section 18211 or any provision thereof were references to this subdivision or the corresponding provisions of this subdivision and as if references to Section 18211 property were references to mining property.

(4) This subdivision shall apply notwithstanding any other provisions of this part.

(e) (1) The basis of any property shall not be reduced by the amount of any depletion which would be allowable but for the application of this section.

(2) The Franchise Tax Board shall prescribe such regulations as it may deem necessary to provide for adjustments to the basis of property to reflect gain recognized under paragraph (1) of subdivision (d).

(f) For purposes of this section—

(1) The term "adjusted exploration expenditures" means, with respect to any property or mine—

(A) The amount of the expenditures allowed for the taxable year and all preceding taxable years as deductions under subdivision (a) to the taxpayer or any other person which are properly chargeable to such property or mine and which (but for the election under subdivision (a)) would be reflected in the adjusted basis of such property or mine, reduced by

(B) For the taxable year and for each preceding taxable year, the amount (if any) by which (i) the amount which would have been allowable for percentage depletion under Sections 17686 to 17688, inclusive, but for the deduction of such expenditures, exceeds (ii) the amount allowable for depletion under Section 17681

properly adjusted for any amounts included in gross income under subdivision (b) or (c) and for any amounts of gain to which subdivision (d) applied.

(2) The term "mining property" means any property (within the meaning of Section 614 of the Internal Revenue Code after the application of subdivisions (c) and (e) thereof) with respect to which any expenditures allowed as a deduction under paragraph (1) of subdivision (a) are properly chargeable.

(g) (1) In the case of any property or mine received by the taxpayer in a distribution with respect to part or all of his interest in a partnership, the adjusted exploration expenditures with respect to such property or mine include

the adjusted exploration expenditures (not otherwise included under paragraph (1) subdivision (f)) with respect to such property or mine immediately prior to such distribution, but the adjusted exploration expenditures with respect to any such property or mine shall be reduced by the amount of gain to which Section 17912 applied realized by the partnership (as constituted after the distribution) on the distribution of such property or mine.

(2) In the case of any property or mine held by a partnership after a distribution to a partner to which Section 17912 applied, the adjusted exploration expenditures with respect to such property or mine shall, under regulations prescribed by the Franchise Tax Board be reduced by the amount of gain to which Section 17912 applied realized by such partner with respect to such distribution on account of such property or mine.

(h) (1) Subdivision (a) shall apply to any amount paid or incurred after December 31, 1970, with respect to any deposit of ore or other mineral located outside the United States, only to the extent that such amount, when added to the amounts which are or have been deducted under subdivision (a) of this section and subdivision (a) of Section 17689 and the amounts which are or have been treated as deferred expenses under subdivision (b) of Section 17689 or the corresponding provisions of prior law, does not exceed four hundred thousand dollars ($400,000).

(2) For purposes of paragraph (1), there shall be taken into account amounts deducted and amounts treated as deferred expenses by—

(A) The taxpayer, and

(B) Any individual or corporation who has transferred to the taxpayer any mineral property.

(3) Subparagraph (B) of paragraph (2) shall apply with respect to all amounts deducted and all amounts treated as deferred expenses which were paid or incurred before the latest such transfer from the individual or corporation to the taxpayer. Subparagraph (B) of paragraph (2) shall apply only if the taxpayer acquired any mineral property from the individual or corporation under circumstances which make Section 18135, subdivision (b) of Section 24504, Section 24552, 24553, 24575, subdivison (a) of Section 24577, Section 24961, or 24988 of the Bank and Corporation Tax Law apply to such transfer.

(i) This section shall apply with respect to exploration expenditures paid or incurred after December 31, 1970.

SEC. 83. Article 3 (commencing with Section 17720) is added to Chapter 8 of Part 10 of Division 2 of the Revenue and Taxation Code, to read:

Article 3. Mineral Production Payments

17720. (a) A production payment carved out of mineral property shall be treated, for purposes of this article, as if it were a mortgage loan on the property, and shall not qualify as an economic interest in the mineral property. In the case of a production payment carved out for exploration or development of a mineral property, the preceding sentence shall apply only if and to the extent gross income from the property (for the purposes of Sections 17686 to 17688, inclusive) would be realized, in the absence of the application of such sentence, by the person creating the production payment.

(b) A production payment retained on the sale of a mineral property shall be treated, for purposes of this article, as if it were a purchase money mortgage loan and shall not qualify as an economic interest in the mineral property.

(c) A production payment retained in a mineral property by the lessor in a leasing transaction shall be treated, for purposes of this article, insofar as the lessee (or his successors in interest) is concerned, as if it were a bonus granted by the lessee to the lessor payable in installments. The treatment of the production payment in the hands of the lessor shall be determined without regard to the provisions of this subdivision.

(d) As used in this section, the term "mineral property" means each separate interest owned by the taxpayer in each mineral deposit in each separate tract or parcel of land.

(e) The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(f) The amendments made by this section shall apply with respect to mineral production payments created on or after January 1, 1971, other than mineral production payments created before January 1, 1971, pursuant to a binding contract entered into before August 7, 1969.

SEC. 84. Section 17734 of the Revenue and Taxation Code is amended to read:

17734. (a) In the case of an estate or trust (other than a trust meeting the specifications of Article 2) there shall be allowed as a deduction in computing its taxable income (in lieu of the deductions allowed by Sections 17214 and 17303, relating to deduction for charitable, etc., contributions and gifts) any amount of the gross income, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, paid for a purpose specified in Sections 17214 and 17303. If a charitable contribution is paid after the close of such taxable year and on or before the last day of the year following the close of such taxable year, then

the trustee or administrator may elect to treat such contribution as paid during such taxable year. The election shall be made at such time and in such manner as the Franchise Tax Board by regulations prescribes.

(b) In the case of an estate, and in the case of a trust (other than a trust meeting the specifications of Article 2 (commencing with Section 17751) of this chapter) required by the terms of its governing instrument to set aside amounts which was—

(1) Created on or before December 31, 1970, if—

(A) An irrevocable remainder interest is transferred to or for the use of an organization described in Section 17214, or

(B) The grantor is at all times after December 31, 1970, under a mental disability to change the terms of the trust; or

(2) Established by a will executed on or before December 31, 1970, if—

(A) The testator dies before October 9, 1972, without having republished the will after December 31, 1970, by codicil or otherwise,

(B) The testator at no time after December 31, 1970, had the right to change the portions of the will which pertain to the trust, or

(C) The will is not republished by codicil or otherwise before October 9, 1972, and the testator is on such date and at all times thereafter under a mental disability to republish the will by codicil or otherwise,

there shall also be allowed as a deduction in computing its taxable income any amount of the gross income, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, permanently set aside for a purpose specified in Section 17214, or is to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, or for the establishment, acquisition, maintenance, or operation of a public cemetery not operated for profit. In the case of a trust, the preceding sentence shall apply only to gross income earned with respect to amounts transferred to the trust before December 31, 1970, or transferred under a will to which paragraph (2) applies.

(c) In the case of a pooled income fund (as defined in subdivision (e)), there shall also be allowed as a deduction in computing its taxable income any amount of the gross income attributable to gain from the sale of a capital asset held for more than six months, without limitation, which pursuant to the terms of the governing instrument is, during the taxable year, permanently set aside for a purpose specified in Section 17214.

(d) To the extent that the amount otherwise allowable as a deduction under this subdivision consists of gain from the sale or exchange of capital assets held for more than six months, proper adjustment shall be made to take into account any gain not recognized to the estate or trust under Section 18151 (relating to recognized capital gains and losses). In the case of a trust, the deduction allowed by this subdivision shall be subject to Section 17811 (relating to unrelated business income) and Sections 17812 to 17818, inclusive (relating to prohibited transactions).

(e) For purposes of subdivision (c), a pooled income fund is a trust—

(1) To which each donor transfers property, contributing an irrevocable remainder interest in such property to or for the use of an organization described in subparagraph (A) of paragraph (1) of subdivision (b) of Section 23707 (other than clauses (vii), (viii), (ix) or (x)), and retaining an income interest for the life of one or more beneficiaries (living at the time of such transfer),

(2) In which the property transferred by each donor is commingled with property transferred by other donors who have made or make similar transfers,

(3) Which cannot have investments in securities which are exempt from taxes imposed by this part,

(4) Which includes only amounts received from transfers which meet the requirements of this subdivision,

(5) Which is maintained by the organization to which the remainder interest is contributed and of which no donor or beneficiary of an income interest is a trustee, and

(6) From which each beneficiary of an income interest receives income, for each year for which he is entitled to receive the income interest referred to in paragraph (1), determined by the rate of return earned by the trust for such year.

For purposes of determining the amount of any charitable contribution allowable by reason of a transfer of property to a pooled fund, the value of the income interest shall be determined on the basis of the highest rate of return earned by the fund for any of the three taxable years immediately preceding the taxable year of the fund in which the transfer is made. In the case of funds in existence less than three taxable years preceding the taxable year of the fund in which a transfer is made, the rate of return shall be deemed to be 6 percent per annum, except that the Franchise Tax Board may prescribe a different rate of return.

(f) In the case of a private foundation which is not exempt from taxation under Section 23701d for the taxable year, the provisions of this section shall not apply and the provisions of Section 17214 shall apply.

SEC. 85. Section 17763.1 is added to the Revenue and Taxation Code, to read:

17763.1. (a) Notwithstanding any other provision of this article, the provisions of this section shall, in accordance with regulations prescribed by the Franchise Tax Board, apply in the case of a charitable remainder annuity trust and a charitable remainder unitrust.

(b) Amounts distributed by a charitable remainder annuity trust or by a charitable remainder unitrust shall be considered as having the following characteristics in the hands of a beneficiary to whom is paid the annuity described in subparagraph (A) of paragraph (1) of subdivision (d) or the payment described in subparagraph (A) of paragraph (2) of subdivision (d):

(1) First, as amounts of income (other than gains, and amounts treated as gains, from the sale or other disposition of capital assets) includable in gross income to the extent of such income of the trust for the year and such undistributed income of the trust for prior years;

(2) Second, as a capital gain to the extent of the capital gain of the trust for the year and the undistributed capital gain of the trust for prior years;

(3) Third, as other income to the extent of such income of the trust for the year and such undistributed income of the trust for prior years; and

(4) Fourth, as a distribution of trust corpus.

For purposes of this section, the trust shall determine the amount of its undistributed capital gain on a cumulative net basis.

(c) A charitable remainder annuity trust and a charitable remainder unitrust shall, for any taxable year, not be subject to any tax imposed by this part, unless such trust, for such year, has unrelated business taxable income (within the meaning of Sections 23732 to 23735, inclusive, of the Bank and Corporation Tax Law, determined as if applied to such trust).

(d) (1) For purposes of this section, a charitable remainder annuity trust is a trust—

(A) From which a sum certain (which is not less than 5 percent of the initial net fair market value of all property placed in trust) is to be paid, not less often than annually, to one or more persons (at least one of which is not an organization described in Section 17214 and, in the case of individuals, only to an individual who is living at the time of the creation of the trust) for a term of years (not in excess of 20 years) or for the life or lives of such individual or individuals,

(B) From which no amount other than the payments described in subparagraph (A) may be paid to or for the use of any person other than an organization described in Section

17214, and

(C) Following the termination of the payments described in subparagraph (A), the remainder interest in the trust is to be transferred to, or for the use of, an organization described in Section 17214 or is to be retained by the trust for such a use.

(2) For purposes of this section, a charitable remainder unitrust is a trust—

(A) From which a fixed percentage (which is not less than 5 percent) of the net fair market value of its assets, valued annually, is to be paid, not less often than annually, to one or more persons (at least one of which is not an organization described in Section 17214 and, in the case of individuals, only to an individual who is living at the time of the creation of the trust) for a term of years (not in excess of 20 years) or for the life or lives of such individual or individuals.

(B) From which no amount other than the payments described in subparagraph (A) may be paid to or for the use of any person other than an organization described in Section 17214, and

(C) Following the termination of the payments described in subparagraph (A), the remainder interest in the trust is to be transferred to, or for the use of, an organization described in Section 17214 or is to be retained by the trust for such a use.

(3) Notwithstanding the provisions of subparagraphs (A) and (B) of paragraph (2), the trust instrument may provide that the trustee shall pay the income beneficiary for any year—

(A) The amount of the trust income, if such amount is less than the amount required to be distributed under paragraph (2) (A), and

(B) Any amount of the trust income which is in excess of the amount required to be distributed under subparagraph (A) of paragraph (2), to the extent that (by reason of subparagraph (A)) the aggregate of the amounts paid in prior years was less than the aggregate of such required amounts.

(e) For purposes of determining the amount of any charitable contribution, the remainder interest of a charitable remainder annuity trust or charitable remainder unitrust shall be computed on the basis that an amount equal to 5 percent of the net fair market value of its assets (or a greater amount, if required under the terms of the trust instrument) is to be distributed each year.

SEC. 86. Section 17771 of the Revenue and Taxation Code is amended to read:

17771. (a) For purposes of this article, the term "undistributed net income" for any taxable year means the amount by which the distributable net income of the trust for such taxable year exceeds the sum of—

(1) The amounts for such taxable year specified in

paragraphs (1) and (2) of subdivision (a) of Section 17761, and

(2) The amount of taxes imposed on the trust attributable to such distributable net income.

(b) For purposes of this article, the term "accumulation distribution" for any taxable year of the trust means the amount by which the amounts specified in paragraph (2) of subdivision (a) of Section 17761 for such taxable year, exceed distributable net income for such year reduced (but not below zero) by the amounts specified in paragraph (1) of subdivision (a) of Section 17761.

(c) For purposes of this article, the term "taxes imposed on the trust" means the amount of the taxes which are imposed for any taxable year of the trust under this part (without regard to this article) and which, under regulations prescribed by the Franchise Tax Board, are properly allocable to the undistributed portions of the distributable net income and gains in excess of losses from sales or exchanges of capital assets. The amount determined in the preceding sentence shall be reduced by any amount of such taxes deemed distributed under Sections 17773, 17774, or subdivisions (d) and (e) of Section 17777, to any beneficiary.

(d) For purposes of this article, the term "preceding taxable year" does not include any taxable year of the trust—

(1) Which precedes by more than five years the taxable year of the trust in which an accumulation distribution is made, if it is made in a taxable year beginning before January 1, 1974,

(2) Which begins before January 1, 1969, in the case of an accumulation distribution made during a taxable year beginning after December 31, 1973, or

(3) Which begins before January 1, 1969, in the case of a capital gain distribution made during a taxable year beginning after December 31, 1968. In the case of a preceding taxable year with respect to which a trust qualifies (without regard to this article) under the provisions of Article 2, for purposes of the application of this article to such trust for such taxable year, such trust shall, in accordance with regulations prescribed by the Franchise Tax Board, be treated as a trust to which Article 3 applies.

(e) For purposes of this article, the term "undistributed capital gain" means, for any taxable year of the trust beginning after December 31, 1968, the amount by which—

(1) Gains in excess of losses from the sale or exchange of capital assets, to the extent that such gains are allocated to corpus and are not (A) paid, credited, or required to be distributed to any beneficiary during such taxable year, or (B) paid, permanently set aside, or used for the purposes specified in Section 17734, exceed

(2) The amount of taxes imposed on the trust attributable to such gains. For purposes of paragraph (1) the deduction under Section 18151 (relating to deduction for excess of capital gains over capital losses) shall not be taken into account.

(f) For purposes of this article, the term "capital gain distribution" for any taxable year of the trust means, to the extent of undistributed capital gain for such taxable year, that portion of—

(1) The excess of the amounts specified in paragraph (2) of subdivision (a) of Section 17761 for such taxable year over distributable net income for such year reduced (but not below zero) by the amounts specified in paragraph (1) of subdivision (a) of Section 17761, over

(2) The undistributed net income of the trust for all preceding taxable years.

SEC. 87. Section 17772 of the Revenue and Taxation Code is amended to read:

17772. (a) In the case of a trust which for a taxable year beginning after December 31, 1954, is subject to Article 3, the amount of the accumulation distribution of such trust for a taxable year shall be deemed to be an amount within the meaning of paragraph (2) of subdivision (a) of Section 17761 distributed on the last day of each of the preceding taxable years, commencing with the earliest of such years, to the extent that such amount exceeds the total of any undistributed net income for all earlier preceding taxable years. The amount deemed to be distributed in any such preceding taxable year under the preceding sentence shall not exceed the undistributed net income for such preceding taxable year. For purposes of this section, undistributed net income for each of such preceding taxable years shall be computed without regard to such accumulation distribution and without regard to any accumulation distribution determined for any succeeding taxable year.

SEC. 88. Section 17773 of the Revenue and Taxation Code is amended to read:

17773. If any portion of an accumulation distribution for any taxable year is deemed under Section 17772 to be an amount within the meaning of paragraph (2) of subdivision (a) of Section 17761 distributed on the last day of any preceding taxable year, and such portion of such distribution is not less than the undistributed net income for such preceding taxable year, the trust shall be deemed to have distributed on the last day of such preceding taxable year an additional amount within the meaning of paragraph (2) of subdivision (a) of Section 17761. Such additional amount shall be equal to the taxes imposed on the trust for such preceding taxable year attributable to the undistributable net income.

For purposes of this section, the undistributed net income and the taxes imposed on the trust for such preceding taxable year attributable to such undistributed net income shall be computed without regard to such accumulation distribution and without regard to any accumulation distribution determined for any succeeding taxable year.

SEC. 89. Section 17774 of the Revenue and Taxation Code is amended to read:

17774. If any portion of an accumulation distribution for any taxable year is deemed under Section 17772 to be an amount within the meaning of paragraph (2) of subdivision (a) of Section 17761 distributed on the last day of any preceding taxable year and such portion of the accumulation distribution is less than the undistributed net income for such preceding taxable year, the trust shall be deemed to have distributed on the last day of such preceding taxable year an additional amount within the meaning of paragraph (2) of subdivision (a) of Section 17761. Such additional amount shall be equal to the taxes imposed on the trust for such taxable year attributable to the undistributed net income multiplied by the ratio of the portion of the accumulation distribution to the undistributed net income of the trust for such year. For purposes of this section, the undistributed net income and the taxes imposed on the trust for such preceding taxable year attributable to such undistributed net income shall be computed without regard to the accumulation distribution and without regard to any accumulation distribution determined for any succeeding taxable year.

SEC. 90. Section 17774.5 is added to the Revenue and Taxation Code, to read:

17774.5. If adequate records are not available to determine the proper application of this article to an amount distributed by a trust, such amount shall be deemed to be an accumulation distribution consisting of undistributed net income earned during the earliest preceding taxable year of the trust in which it can be established that the trust was in existence.

SEC. 91. Section 17775 of the Revenue and Taxation Code is repealed.

SEC. 92. Section 17775 is added to the Revenue and Taxation Code, to read:

17775. (a) No refund or credit shall be allowed to a trust for any preceding taxable year by reason of a distribution deemed to have been made by such trust in such year under Sections 17772 to 17774.5, inclusive, or Section 17777.

(b) There shall be allowed as a credit (without interest) against the tax imposed by this part on the beneficiary an amount equal to the amount of the taxes deemed distributed to such beneficiary by the trust under Sections 17773 and

17774 and subdivisions (d) and (e) of Section 17777 during preceding taxable years of the trust on the last day of which the beneficiary was in being, reduced by the amount of the taxes deemed distributed to such beneficiary for such preceding taxable years to the extent that such taxes are taken into account under paragraph (1) of subdivision (b) of Section 17776 and subdivision (b) of Section 17777 in determining the amount of the tax imposed by Section 17776.

SEC. 93. Section 17776 of the Revenue and Taxation Code is amended to read:

17776. (a) The total of the amounts which are treated under Sections 17772 to 17774.5, inclusive, and 17777 as having been distributed by the trust in a preceding taxable year shall be included in the income of a beneficiary of the trust when paid, credited, or required to be distributed to the extent that such total would have been included in the income of such beneficiary under subdivision (b) of Section 17762 and Section 17763 if such total had been paid to such beneficiary on the last day of such preceding taxable year. The tax imposed by this article on a beneficiary for a taxable year in which any such amount is included in his income shall be determined only as provided in this section and shall consist of the sum of—

(1) A partial tax computed on the taxable income reduced by an amount equal to the total of such amounts, at the rate and in the manner as if this section had not been enacted,

(2) A partial tax determined as provided in subdivision (b) of this section, and

(3) In the case of a beneficiary of a trust which is not required to distribute all of its income currently, a partial tax determined as provided in Section 17777.

For purposes of this article, a trust shall not be considered to be a trust which is not required to distribute all of its income currently for any taxable year prior to the first taxable year in which income is accumulated.

(b) (1) Except as provided in paragraph (2), the partial tax imposed by paragraph (2) of subdivision (a) shall be the lesser of—

(A) The aggregate of the taxes attributable to the amounts deemed distributed under Sections 17772 to 17774.5, inclusive, had they been included in the gross income of the beneficiary on the last day of each respective preceding taxable year, or

(B) The tax determined by multiplying, by the number of preceding taxable years of the trust, on the last day of which an amount is deemed under Section 17772 to have been distributed, the average of the increase in tax attributable to recomputing the beneficiary's gross income

for each of the beneficiary's three taxable years immediately preceding the year of the accumulation distribution by adding to the income of each of such years an amount determined by dividing the amount deemed distributed under Sections 17772 to 17774.5, inclusive, and required to be included in income under subdivision (a) by such number of preceding taxable years of the trust,

less an amount equal to the amount of taxes deemed distributed to the beneficiary under Sections 17773 and 17774.

(2) (A) If a beneficiary was not in existence on the last day of a preceding taxable year of the trust with respect to which a distribution is deemed made under Section 17772, the partial tax under either subparagraph (A) or (B) of paragraph (1) shall be computed as if the beneficiary were in existence on the last day of such year on the basis that the beneficiary had no gross income (other than amounts deemed distributed to him under Sections 17772 to 17774.5, inclusive, and 17777 by the same or other trusts) and no deductions for such year.

(B) The partial tax shall not be computed under the provisions of subparagraph (B) of paragraph (1) if, in the same prior taxable year of the beneficiary in which any part of the accumulation distribution is deemed under Section 17772 to have been distributed to such beneficiary, some part of prior accumulation distributions by each of two or more other trusts is deemed under Section 17772 to have been distributed to such beneficiary.

(C) If the partial tax is computed under subparagraph (B) of paragraph (1), and the amount of the undistributed net income deemed distributed in any preceding taxable year of the trust is less than 25 percent of the amount of the accumulation distribution divided by the number of preceding taxable years to which the accumulation distribution is allocated under Section 17772, the number of preceding taxable years of the trust with respect to which an amount is deemed distributed to a beneficiary under Section 17772 shall be determined without regard to such year.

(3) In computing the partial tax under paragraph (1) for any beneficiary, the income of such beneficiary for each of his prior taxable years—

(A) Shall include amounts previously deemed distributed to such beneficiary in such year under Sections 17772 to 17774.5, inclusive, or 17777 as a result of prior accumulation distributions or capital gain distributions (whether from the same or another trust), and

(B) Shall not include amounts deemed distributed to such beneficiary in such year under Section 17777 as a result of a capital gain distribution from the same trust in the current year.

(4) In the case of accumulation distributions made from more than one trust which are includable in the income of a beneficiary in the same taxable year, the distributions shall be deemed to have been made consecutively in whichever order the beneficiary shall determine.

(5) (A) Except as provided in subparagraph (B), the partial tax shall not be computed under the provisions of subparagraph (A) of paragraph (1) unless the beneficiary supplies such information with respect to his income, for each taxable year with which or in which ends a taxable year of the trust on the last day of which an amount is deemed distributed under Section 17772, as the Franchise Tax Board prescribes by regulations.

(B) If by reason of subparagraph (B) of paragraph (2) the provisions of subparagraph (B) of paragraph (1) do not apply, the determination of the amount of the beneficiary's income for a taxable year for which the beneficiary has not supplied the information required under subparagraph (A) shall be made by the Franchise Tax Board on the basis of information available to him.

SEC. 94. Section 17777 of the Revenue and Taxation Code is repealed.

SEC. 95. Section 17777 is added to the Revenue and Taxation Code, to read:

17777. (a) In the case of a trust which is not required to distribute all of its income currently, the amount of a capital gain distribution of such trust for a taxable year shall be deemed to be an amount properly paid, credited, or required to be distributed on the last day of each of the preceding taxable years, commencing with the earliest of such years, to the extent that such amount exceeds the total of any undistributed capital gain for all earlier preceding taxable years. The amount deemed to be distributed in any such preceding taxable year under the preceding sentence shall not exceed the undistributed capital gain for such preceding taxable year. For purposes of this subdivision, undistributed capital gain for each of such preceding taxable years shall be computed without regard to such capital gain distribution and without regard to any capital gain distribution determined for any succeeding taxable year.

(b) The partial tax imposed by paragraph (3) of subdivision (a) of Section 17776 shall be the lesser of—

(1) The aggregate of the taxes attributable to the amounts deemed distributed under this section, had such amounts been included in the gross income of the beneficiary on the last day of each respective preceding taxable year, or

(2) The tax determined by multiplying by the number of preceding taxable years of the trust, on the last day of which

net gains from the sale or exchange of capital assets are deemed under subdivision (a) to have been distributed, the average of the increase in tax attributable to recomputing the beneficiary's gross income for each of the beneficiary's three taxable years immediately preceding the year of the capital gain distribution by adding to the income of each of such years an amount determined by dividing the total of the amounts deemed distributed under this section and required to be included in income under subdivision (a) of Section 17776 by such number of preceding taxable years of the trust,

less an amount equal to the amount of taxes deemed distributed to the beneficiary under subdivisions (d) and (e) which are attributable to the capital gain distribution.

(c) In computing the partial tax under subdivision (b) for any beneficiary, the income of such beneficiary for each of his prior taxable years—

(1) Shall include amounts previously deemed distributed to such beneficiary in such year under Sections 17772 to 17774.5, inclusive, or this section, as a result of prior accumulation distributions or capital gain distributions (whether from the same or another trust), and

(2) Shall include amounts deemed distributed to such beneficiary in such year under Sections 17772 to 17774.5, inclusive, as a result of an accumulation distribution from the same trust in the current year.

Under regulations prescribed by the Franchise Tax Board, rules similar to the rules provided for by paragraphs (2), (4), and (5) of subdivision (b) of Section 17776 shall be applied for purposes of this section.

(d) If any portion of a capital gain distribution for any taxable year is deemed under subdivision (a) to be an amount properly paid, credited or required to be distributed on the last day of any preceding taxable year, and such portion of such capital gain distribution is not less than the undistributed capital gain for such preceding taxable year, the trust shall be deemed to have properly distributed on the last day of such preceding taxable year an additional amount. Such additional amount shall be equal to the taxes imposed on the trust for such preceding taxable year attributable to such undistributed capital gain. For purposes of this subdivision, the undistributed capital gain and the taxes imposed on the trust for such preceding taxable year attributable to such gain shall be computed without regard to such capital gain distribution and without regard to any capital gain distribution determined for any succeeding taxable year.

(e) If any portion of a capital gain distribution for any taxable year is deemed under subdivision (a) to be an amount properly paid, credited, or required to be distributed on the

last day of any preceding taxable year and such portion of the capital gain distribution is less than the undistributed capital gain for such preceding taxable year, the trust shall be deemed to have properly distributed on the last day of such preceding taxable year an additional amount. Such additional amount shall be equal to the taxes imposed on the trust for such taxable year attributable to such undistributed capital gain multiplied by the ratio of the portion of the capital gain distribution to the undistributed capital gain of the trust for such year. For purposes of this subdivision, the undistributed capital gain and the taxes imposed on the trust for such preceding taxable year attributable to such gain shall be computed without regard to the capital gain distribution and without regard to any capital gain distribution determined for any succeeding taxable year.

(f) For purposes of this section, the character of the capital gain of a trust for any taxable year with respect to a beneficiary shall be the same as it was with respect to the trust.

SEC. 96. Section 17778 is added to the Revenue and Taxation Code, to read:

17778. (a) Except as otherwise provided in this section, the amendments made to this chapter at the 1971 Regular Session of the Legislature shall apply to taxable years beginning after December 31, 1970.

(b) (1) Amounts paid, credited, or required to be distributed by a trust on or before the last day of a taxable year of the trust beginning before January 1, 1974, shall not be deemed to be accumulation distributions to the extent that such amounts were accumulated by a trust in taxable years of such trust beginning before January 1, 1969, and would have been excepted from the definition of an accumulation distribution by reason of subdivision (b) of Section 17771, as in effect on December 31, 1968, if they had been distributed on the last day of the last taxable year of the trust beginning before January 1, 1969.

(2) For taxable years of a trust beginning before January 1, 1970, the first sentence of Section 17772 (as amended at the 1971 Regular Session of the Legislature) shall not apply, and the amount of the accumulation distribution of the trust for such taxable years shall be deemed to be an amount within the meaning of paragraph (2) of subdivision (a) of Section 17761 distributed on the last day of each of the preceding taxable years to the extent that such amount exceeds the total of any undistributed net income for any taxable years intervening between the taxable year with respect of which the accumulation distribution is determined and such preceding taxable year.

(3) In the case of a trust which was in existence on

December 31, 1969, Section 17777, as amended at the 1971 Regular Session of the Legislature, shall not apply to capital gain distributions made to a beneficiary before January 1, 1972. If the beneficiary receives capital gain distributions from more than one such trust before January 1, 1972, the preceding sentence shall apply to capital gain distributions from only one of such trusts, such one to be designated by the taxpayer in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 97. Section 17783 of the Revenue and Taxation Code is amended to read:

17783. (a) The grantor shall be treated as the owner of any portion of a trust in which he has a reversionary interest in either the corpus or the income therefrom if, as of the inception of that portion of the trust, the interest will or may reasonably be expected to take effect in possession or enjoyment within 10 years commencing with the date of the transfer of that portion of the trust.

(b) The grantor shall not be treated under subdivision (a) as the owner of any portion of a trust where his reversionary interest in such portion is not to take effect in possession or enjoyment until the death of the person or persons to whom the income therefrom is payable.

(c) Any postponement of the date specified for the reacquisition of possession or enjoyment of the reversionary interest shall be treated as a new transfer in trust commencing with the date on which the postponement is effected and terminating with the date prescribed by the postponement. However, income for any period shall not be included in the income of the grantor by reason of the preceding sentence if such income would not be so includable in the absence of such postponement.

SEC. 98. Section 17790 of the Revenue and Taxation Code is amended to read:

17790. The grantor shall be treated as the owner of any portion of a trust, whether or not he is treated as such owner under Sections 17784 to 17787, inclusive, whose income without the approval or consent of any adverse party is, or, in the discretion of the grantor or a nonadverse party, or both, may be—

(a) Distributed to the grantor or the grantor's spouse;

(b) Held or accumulated for future distribution to the grantor, or the grantor's spouse; or

(c) Applied to the payment of premiums on policies of insurance on the life of the grantor or the grantor's spouse (except policies of insurance irrevocably payable for a purpose specified in Section 17214 (relating to definition of charitable contributions)).

This section shall not apply to a power the exercise of which

can only affect the beneficial enjoyment of the income for a period commencing after the expiration of a period such that the grantor would not be treated as the owner under Section 17783 if the power were a reversionary interest; but the grantor may be treated as the owner after the expiration of the period unless the power is relinquished. The amendments to this section made at the 1971 Regular Session of the Legislature shall apply in respect of property transferred in trust after October 9, 1969.

SEC. 99. Section 17791 of the Revenue and Taxation Code is amended to read

17791. (a) Income of a trust shall not be considered taxable to the grantor under Section 17790 or any other provision of this part merely because such income in the discretion of another person, the trustee, or the grantor acting as trustee or cotrustee, may be applied or distributed for the support or maintenance of a beneficiary (other than the grantor's spouse) whom the grantor is legally obligated to support or maintain, except to the extent that such income is so applied or distributed. In cases where the amounts so applied or distributed are paid out of corpus or out of other than income for the taxable year, such amounts shall be considered to be an amount paid or credited within the meaning of paragraph (2) of subdivision (a) of Section 17761 and shall be taxed to the grantor under Section 17762 to 17764, inclusive.

(b) The amendments to this section made at the 1971 Regular Session of the Legislature shall apply in respect of property transferred in trust after October 9, 1969.

SEC. 100. Section 17811 of the Revenue and Taxation Code is amended to read:

17811. In computing the deduction allowable under Section 17734 to a trust, no amount otherwise allowable under Section 17734 as a deduction shall be allowed as a deduction with respect to income of the taxable year which is allocable to its unrelated business income for such year. For purposes of the preceding sentence, the term "unrelated business income" means an amount equal to the amount which, if such trust were exempt from tax under Section 23701d, would be computed as its unrelated business taxable income under Sections 23732, 23733, 23734 and 23735 (relating to income derived from certain business activities and from certain property acquired with borrowed funds).

SEC. 101. Section 17856 of the Revenue and Taxation Code is amended to read:

17856. A partner's distributive share of any item of income, gain, loss, deduction, or credit shall be determined in accordance with his distributive share of taxable income or loss of the partnership, as described in subdivision (h) of

Section 17852, for the taxable year, if—

(a) The partnership agreement does not provide as to the partner's distributive share of such item, or

(b) The principal purpose of any provision in the partnership agreement with respect to the partner's distributive share of such item is the avoidance or evasion of any tax imposed by this part.

SEC. 102. Section 18001 of the Revenue and Taxation Code is amended to read:

18001. Subject to the following conditions, residents shall be allowed a credit against the taxes imposed by this part for net income taxes imposed by and paid to another state on income taxable under this part:

(a) The credit shall be allowed only for taxes paid to the other state on income derived from sources within that state which is taxable under its laws irrespective of the residence or domicile of the recipient.

(b) The credit shall not be allowed if the other state allows residents of this state a credit against the taxes imposed by that state for taxes paid or payable under this part.

(c) The credit shall not exceed such proportion of the tax payable under this part as the income subject to tax in the other state and also taxable under this part bears to the taxpayer's entire income upon which the tax is imposed by this part.

(d) No credit shall be allowed under this section for any tax imposed by Section 17062.

SEC. 103. Section 18031 of the Revenue and Taxation Code is amended to read:

18031. (a) The gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the adjusted basis provided in Section 18041 for determining gain, and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the amount realized.

(b) The amount realized from the sale or other disposition of property shall be the sum of any money received plus the fair market value of the property (other than money) received.

In determining the amount realized—

(1) There shall not be taken into account any amount received as reimbursement for real property taxes which are treated under Section 17205 as imposed on the purchaser; and

(2) There shall be taken into account amounts representing real property taxes which are treated under Section 17205 as imposed on the taxpayer if such taxes are to be paid by the purchaser.

(c) In the case of a sale or exchange of property, the extent to which the gain or loss determined under this section shall

be recognized for purposes of this part shall be determined under Section 18032.

(d) Nothing in this section shall be construed to prevent (in the case of property sold under contract providing for payment in installments) the taxation of that portion of any installment payment representing gain or profit in the year in which such payment is received.

(e) (1) In determining gain or loss from the sale or other disposition of a term interest in property, that portion of the adjusted basis of such interest which is determined pursuant to Sections 18044 to 18046, inclusive, or 18049 to 18051.1, inclusive (to the extent that such adjusted basis is a portion of the entire adjusted basis of the property), shall be disregarded.

(2) For purposes of paragraph (1), the term "term interest in property" means—

(A) A life interest in property,

(B) An interest in property for a term of years, or

(C) An income interest in a trust.

(3) Paragraph (1) shall not apply to a sale or other disposition which is a part of a transaction in which the entire interest in property is transferred to any person or persons.

SEC. 104. Section 18041 of the Revenue and Taxation Code is amended to read:

18041. (a) The adjusted basis for determining the gain or loss from the sale or other disposition of property, whenever acquired, shall be the basis (determined under Section 18042 or other applicable sections of this chapter and Chapters 4 (relating to corporate distributions and adjustments), 10 (relating to partners and partnerships), and 14 (relating to capital gains and losses)), adjusted as provided in Sections 18052 and 18053.

(b) If a deduction is allowable under Section 17214 (relating to charitable contributions) by reason of a sale, then the adjusted basis for determining the gain from such sale shall be that portion of the adjusted basis which bears the same ratio to the adjusted basis as the amount realized bears to the fair market value of the property.

SEC. 105. Section 18052 of the Revenue and Taxation Code is amended to read:

18052. Proper adjustment in respect of the property shall in all cases be made—

(a) For expenditures, receipts, losses, or other items, properly chargeable to capital account, but no such adjustment shall be made—

(1) For taxes or other carrying charges described in Section 17286, or

(2) For expenditures described in Section 17222 (relating to circulation expenditures), for which deductions have been

taken by the taxpayer in determining taxable income for the taxable year or prior taxable years;

(b) To the extent sustained prior to January 1, 1935, and for periods thereafter, for exhaustion, wear and tear, obsolescence, amortization, and depletion, to the extent of the amount—

(1) Allowed as deductions in computing taxable income under this part or prior income tax laws, and

(2) Resulting (by reason of the deductions so allowed) in a reduction for any taxable year of the taxpayer's taxes under this part, but not less than the amount allowable under this part or prior income tax laws. Where no method has been adopted under Sections 17208 to 17211.7, inclusive (relating to depreciation deduction), the amount allowable shall be determined under paragraph (1) of subdivision (b) of Section 17208.

(c) In respect of any period—

(1) Before January 1, 1935, and

(2) Since December 31, 1934, during which such property was held by a person or an organization not subject to income taxation under this part or prior income tax laws,

for exhaustion, wear and tear, obsolescence, amortization, and depletion, to the extent sustained;

(d) In the case of stock (to the extent not provided for in the foregoing subdivisions) for the amount of distributions previously made which, under the law applicable to the year in which the distribution was made, either were tax free or were applicable in reduction of basis (not including distributions made by a corporation which was classified as a personal service corporation under the provisions of the Revenue Act of 1918 (40 Stat. 1057), or the Revenue Act of 1921 (42 Stat. 227), out of its earnings or profits which were taxable in accordance with the provisions of Section 218 of the Revenue Act of 1918 or 1921);

(e) In the case of any bond (as defined in Section 17220) the interest on which is wholly exempt from the tax imposed by this part, to the extent of the amortizable bond premium disallowable as a deduction pursuant to subdivision (b) of Section 17217, and in the case of any other bond (as defined in Section 17220) to the extent of the deductions allowable pursuant to subdivision (a) of Section 17217 with respect thereto;

(f) In the case of any municipal bond (as defined in Section 17116), to the extent provided in subdivision (b) of Section 17115;

(g) In the case of a residence the acquisition of which resulted, under Sections 18091 to 18100, inclusive, in the nonrecognition of any part of the gain realized on the sale,

exchange, or involuntary conversion of another residence, to the extent provided in Section 18095;

(h) In the case of property pledged to the Commodity Credit Corporation, to the extent of the amount received as a loan from the Commodity Credit Corporation and treated by the taxpayer as income for the year in which received pursuant to Section 17137, and to the extent of any deficiency on such loan with respect to which the taxpayer has been relieved from liability;

(i) For amounts allowed as deductions as deferred expenses under subdivision (b) of Section 17690 (relating to certain expenditures in the development of mines) and resulting in a reduction of the taxpayer's taxes under this part, but not less than the amounts allowable under such section for the taxable year and prior years;

(j) for amounts allowed as deductions as deferred expenses under subdivision (b) of Section 17689 or Section 17689.5 (relating to certain exploration expenditures) and resulting in a reduction of the taxpayer's taxes under this part, but not less than the amounts allowable under such section for the taxable year and prior years;

(k) For deductions to the extent disallowed under Section 17291 (relating to sale of land with unharvested crops), notwithstanding the provisions of any other subdivision of this section;

(*l*) For amounts allowed as deductions as deferred expenses under paragraph (1) of subdivision (b) of Section 17223 (relating to research and experimental expenditures) and resulting in a reduction of the taxpayer's taxes under this part, but not less than the amounts allowable under such section for the taxable year and prior years;

(m) For amounts allowed as deductions for expenditures treated as deferred expenses under Section 17227 (relating to trademark and trade name expenditures) and resulting in a reduction of the taxpayer's taxes under this part, but not less than the amounts allowable under such section for the taxable year and prior years;

(n) For amounts allowed as deductions for payments made on account of transfers of franchises, trademarks, or trade names under paragraph (2) of subdivision (d) of Section 18218.5.

SEC. 105.5. Section 18151 of the Revenue and Taxation Code is amended to read:

18151. (a) If for any taxable year the net long-term capital gain exceeds the net short-term capital loss, 50 percent of the amount of such excess shall be a deduction from gross income. In the case of an estate or trust, the deduction shall be computed by excluding the portion (if any), of the gains for the taxable year from sales or exchanges of capital assets,

which, under Sections 17752 and 17762 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includable by the income beneficiaries as gain derived from the sale or exchange of capital assets.

(b) The provisions of subdivision (a) shall apply with respect to taxable years which end on or before November 30, 1972.

SEC. 106. Section 18152 of the Revenue and Taxation Code is repealed.

SEC. 107. Section 18152 is added to the Revenue and Taxation Code, to read:

18152. (a) Losses from sales or exchanges of capital assets shall be allowed only to the extent of the gains from such sales or exchanges, plus (if such losses exceed such gains) whichever of the following is smallest:

(1) The taxable income for the taxable year,

(2) One thousand dollars ($1,000), or

(3) The sum of—

(A) The excess of the net short-term capital loss over the net long-term capital gain, and

(B) One-half of the excess of the net long-term capital loss, over the net short-term capital gain.

(b) In the case of a husband or wife who files a separate return, the amount specified in paragraph (2) of subdivision (a) shall be five hundred dollars ($500) in lieu of one thousand dollars ($1,000).

(c) For purposes of subdivision (a), taxable income shall be computed without regard to gains or losses from sales or exchanges of capital assets. If the taxpayer elects to pay the optional tax imposed by Section 17048, "taxable income" as used in this section shall read as "adjusted gross income".

(d) If a taxpayer has a net capital loss for any taxable year—

(1) The excess of the net short-term capital loss over the net long-term capital gain for such year shall be a short-term capital loss in the succeeding taxable year, and

(2) The excess of the net long-term capital loss over the net short-term capital gain for such year shall be a long-term capital loss in the succeeding taxable year.

(e) (1) For purposes of determining the excess referred to in paragraph (1) of subdivision (d), an amount equal to the amount allowed for the taxable year under paragraph (1), (2), or (3) of subdivision (a) of this section shall be treated as a short-term capital gain in such year.

(2) For purposes of determining the excess referred to in paragraph (2) of subdivision (d), an amount equal to the sum of—

(A) The amount allowed for the taxable year under paragraphs (1), (2), or (3) of subdivision (a) of this section, and

(B) The excess of the amount described in subparagraph (A) over the net short-term capital loss (determined without regard to this section) for such year,

shall be treated as a short-term capital gain in such year.

(f) In the case of any amount which, under subdivision (d) and subdivision (a) (as in effect for taxable years beginning before January 1, 1971), is treated as a capital loss in the first taxable year beginning after December 31, 1970, subdivision (d) and subdivision (a) (as in effect for taxable years beginning before January 1, 1971) shall apply (and subdivision (d) and subdivision (a) as in effect for taxable years beginning after December 31, 1970, shall not apply) to the extent such amount exceeds the total of any net capital gains (determined without regard to subdivisions (d), (e), and (f)) of taxable years beginning after December 31, 1970.

SEC. 108. Section 18161 of the Revenue and Taxation Code is amended to read:

18161. For purposes of this part, the term "capital asset" means property held by the taxpayer (whether or not connected with his trade or business), but does not include—

(a) Stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business;

(b) Property, used in his trade or business, of a character which is subject to the allowance for depreciation provided in Sections 17208 to 17211.7, inclusive, or real property used in his trade or business;

(c) A copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property, held by—

(1) A taxpayer whose personal efforts created such property,

(2) In the case of a letter, memorandum, or similar property, a taxpayer for whom such property was prepared or produced, or

(3) A taxpayer in whose hands the basis of such property is determined, for the purposes of determining gain from a sale or exchange, in whole or in part by reference to the basis of such property in the hands of a taxpayer described in paragraph (1) or (2);

(d) Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in subdivision (a).

SEC. 108.5. Section 18162.5 is added to the Revenue and Taxation Code, to read:

18162.5. (a) In the case of any taxpayer, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account

in computing taxable income:

(1) One hundred percent if the capital asset has been held for not more than one year;

(2) Sixty-five percent if the capital asset has been held for more than one year but not more than five years;

(3) Fifty percent if the capital asset has been held more than five years.

(b) This section shall apply with respect to taxable years beginning after December 31, 1971.

SEC. 109. Section 18172 is added to the Revenue and Taxation Code, to read:

18172. (a) In the case of a person acquiring property from a decedent or to whom property passed from a decedent (within the meaning of Section 18045), if—

(1) The basis of such property in the hands of such person is determined under Section 18044, and

(2) Such property is sold or otherwise disposed of by such person within six months after the decedent's death, then such person shall be considered to have held such property for more than six months.

(b) This section shall apply with respect to decedent's dying after December 31, 1970.

SEC. 110. Section 18181 of the Revenue and Taxation Code is amended to read:

18181. (a) If, during the taxable year, the recognized gains upon sales or exchanges of property used in the trade or business, plus the recognized gains from the compulsory or involuntary conversion (as a result of destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of property used in the trade or business and capital assets held for more than six months into other property or money, exceed the recognized losses from the sales, exchanges, and conversions, such gains and losses shall be considered as gains and losses from sales or exchanges of capital assets held for more than six months. If such gains do not exceed such losses, such gains and losses shall not be considered as gains and losses from sales or exchanges of capital assets.

(b) In determining, for purposes of this section, whether gains exceed losses, the gains described therein shall be included only if and to the extent taken into account in computing gross income and the losses described therein shall be included only if and to the extent taken into account in computing taxable income, except that subdivision (a) of Section 18152 shall not apply.

(c) For purposes of this section, losses (including losses not compensated for by insurance or otherwise) upon the destruction, in whole or in part, theft or seizure, or requisition

or condemnation of (1) property used in the trade or business or (2) capital assets held for more than six months shall be considered losses from a compulsory or involuntary conversion.

In the case of any involuntary conversion (subject to the provisions of this section but for this sentence) arising from fire, storm, shipwreck, or other casualty, or from theft, of any property used in the trade or business or of any capital asset held for more than six months, this section shall not apply to such conversion (whether resulting in gain or loss) if during the taxable year the recognized losses from such conversions exceed the recognized gains from such conversions.

SEC. 111. Section 18182 of the Revenue and Taxation Code is amended to read:

18182. (a) For the purposes of this section and Section 18181, the term "property used in the trade or business" means property used in the trade or business, of a character which is subject to the allowance for depreciation provided in Sections 17208 to 17211.7, inclusive, held for more than six months, and real property used in the trade or business, held for more than six months, which is not:

(1) Property of a kind which would properly be includable in the inventory of the taxpayer if on hand at the close of the taxable year,

(2) Property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or

(3) A copyright, a literary, musical or artistic composition, a letter or memorandum, or similar property, held by a taxpayer described in subdivision (c) of Section 18161.

(b) Such term also includes timber with respect to which Sections 17711 and 17712 are applicable. Such term also includes cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy, or sporting purposes, and held by him for 24 months or more from the date of acquisition, and other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy, or sporting purposes, and held by him for 12 months or more from the date of acquisition. It does not include poultry.

(c) In the case of an unharvested crop on land used in the trade or business and held for more than six months, if the crop and the land are sold or exchanged (or compulsorily or involuntarily converted as described in Section 18181) at the same time and to the same person, the crop shall be considered as "property used in the trade or business."

SEC. 112. Section 18183 of the Revenue and Taxation Code is amended to read:

18183. For the purpose of this part, in the case of bonds, debentures, notes, or certificates or other evidences of indebtedness, which are capital assets in the hands of the

taxpayer, and which are issued by any corporation, or by any government or political subdivision thereof—

(a) Amounts received by the holder on retirement of such bonds or other evidences of indebtedness shall be considered as amounts received in exchange therefor (except that in the case of bonds or other evidences of indebtedness issued before January 1, 1955, this subdivision shall apply only to those issued with interest coupons or in registered form, or to those in such form on December 31, 1954).

(3) This subdivision shall not apply to— sale or exchange of bonds or other evidences of indebtedness issued by a corporation after May 27, 1969 held by the taxpayer more than six months, any gain realized shall (except as provided in the following sentence) be considered gain from the sale or exchange of a capital asset held for more than six months. If at the time of original issue there was an intention to call the bond or other evidence of indebtedness before maturity, any gain realized on the sale or exchange thereof which does not exceed an amount equal to the original issue discount (as defined in Section 18184) reduced by the portion of original issue discount previously includable in the gross income of any holder (as provided in paragraph (2) of subdivision (c)) shall be considered as gain from the sale or exchange of property which is not a capital asset.

(2) Except as provided in paragraph (3), on the sale or exchange of bonds or other evidences of indebtedness issued by a government or political subdivision thereof after December 31, 1954, or by a corporation after December 31, 1954, and on or before May 27, 1969, held by the taxpayer more than six months, any gain realized which does not exceed—

(A) An amount equal to the original issue discount (as defined in Section 18184), or

(B) If at the time of original issue there was no intention to call the bond or other evidence of indebtedness before maturity, an amount which bears the same ratio to the original issue discount (as defined in Section 18184) as the number of complete months that the bond or other evidence of indebtedness was held by the taxpayer bears to the number of complete months from the date of original issue to the date of maturity,

shall be considered as gain from the sale or exchange of property which is not a capital asset. Gain in excess of such amount shall be considered gain from the sale or exchange of a capital asset held more than six months.

(3) This subdivision shall not apply to—

(A) Obligations the interest on which is not includable in gross income under Section 17137 (relating to certain governmental obligations); or

(B) Any holder who has purchased the bond or other evidence of indebtedness at a premium.

(4) In the case of obligations with respect to which the taxpayer has made an election provided by Section 17581 (relating to accounting rules for certain obligations issued at a discount), this section shall not require the inclusion of any amount previously includable in gross income.

(c) (1) There shall be included in the gross income of the holder of any bond or other evidence of indebtedness issued by a corporation after May 27, 1969, the ratable monthly portion of original issue discount multiplied by the number of complete months (plus any fractional part of a month determined in accordance with the last sentence of this paragraph) such holder held such bond or other evidence of indebtedness during the taxable year. Except as provided in paragraph (2), the ratable monthly portion of original issue discount shall equal the original issue discount (as defined in Section 18184) divided by the number of complete months from the date of original issue to the stated maturity date of such bond or other evidence of indebtedness. For purposes of this section, a complete month commences with the date of original issue and the corresponding day of each succeeding calendar month (or the last day of a calendar month in which there is no corresponding day); and, in any case where a bond or other evidence of indebtedness is acquired on any other day, the ratable monthly portion of original issue discount for the complete month in which such acquisition occurs shall be allocated between the transferor and the transferee in accordance with the number of days in such complete month each held the bond or other evidence of indebtedness.

(2) For purposes of this subdivision, the ratable monthly portion of original issue discount shall not include an amount, determined at the time of any purchase after the original issue of such bond or other evidence of indebtedness, equal to the excess of—

(A) The cost of such bond or other evidence of indebtedness incurred by such holder, over

(B) The issue price of such bond or other evidence of indebtedness increased by the portion of original discount previously includable in the gross income of any holder (computed without regard to this paragraph),

divided by the number of complete months (plus any fractional part of a month commencing with the date of purchase) from the date of such purchase to the stated maturity date of such bond or other evidence of indebtedness.

(3) For purposes of paragraph (2), the term "purchase" means any acquisition of a bond or other evidence of indebtedness, but only if the basis of the bond or other evidence of indebtedness is not determined in whole or in

part by reference to the adjusted basis of such bond or other evidence of indebtedness in the hands of the person from whom acquired, or under Section 18044 (relating to property acquired from a decedent).

(4) This subdivision shall not apply to any holder who has purchased the bond or other evidence of indebtedness at a premium.

(5) The basis of any bond or other evidence of indebtedness in the hands of the holder thereof shall be increased by the amount included in his gross income pursuant to paragraph (1).

SEC. 113. Section 18184 of the Revenue and Taxation Code is amended to read:

18184. (a) For purposes of Section 18183, the term "original issue discount" means the difference between the issue price and the stated redemption price at maturity. If the original issue discount is less than one-fourth of 1 percent of the redemption price at maturity multiplied by the number of complete years to maturity, then the issue discount shall be considered to be zero. For purposes of this subdivision, the term "stated redemption price at maturity" means the amount fixed by the last modification of the purchase agreement and includes dividends payable at that time.

(b) In the case of issues of bonds or other evidences of indebtedness registered with the Securities and Exchange Commission, the term "issue price" means the initial offering price to the public (excluding bond houses and brokers) at which price a substantial amount of such bonds or other evidences of indebtedness were sold. In the case of privately placed issues of bonds or other evidence of indebtedness, the issue price of each such bond or other evidence of indebtedness is the price paid by the first buyer of such bond. For purposes of this subdivision, the terms "initial offering price" and "price paid by the first buyer" include the aggregate payments made by the purchaser under the purchase agreement, including modifications thereof.

In the case of a bond or other evidence of indebtedness and an option or other security issued together as an investment unit, the issue price for such investment unit shall be determined in accordance with the rules stated in this subdivision. Such issue price attributable to each element of the investment unit shall be that portion thereof which the fair market value of such element bears to the total fair market value of all the elements in the investment unit. The issue price of the bond or other evidence of indebtedness included in such investment unit shall be the portion so allocated to it. In the case of a bond or other evidence of indebtedness, or an investment unit as described in this subdivision (other than a bond or other evidence of

indebtedness or an investment unit issued pursuant to a plan of reorganization within the meaning of subdivision (a) of Section 17461 or an insolvency reorganization within the meaning of Sections 17481 to 17484, inclusive, 24571 to 24574, inclusive, 24576, 24577, or 24578), which is issued for property and which—

(1) Is part of an issue a portion of which is traded on an established securities market, or

(2) Is issued for stock or securities which are traded on an established securities market,

the issue price of such bond or other evidence of indebtedness or investment unit, as the case may be, shall be the fair market value of such property. Except in cases to which the preceding sentence applies, the issue price of a bond or other evidence of indebtedness (whether or not issued as a part of an investment unit) which is issued for property (other than money) shall be the stated redemption price at maturity.

(c) In the case of issues of bonds or other evidences of indebtedness registered with the Securities and Exchange Commission, the term "date of original issue" means the date on which the issue was first sold to the public at the issue price. In the case of privately placed issues of bonds or other evidences of indebtedness, the term "date of original issue" means the date on which each such bond or other evidence of indebtedness was sold by the issuer.

SEC. 114. Section 18205 of the Revenue and Taxation Code is repealed.

SEC. 115. Section 18211 of the Revenue and Taxation Code is repealed.

SEC. 116. Section 18211 is added to the Revenue and Taxation Code, to read:

18211. (a) (1) Except as otherwise provided in this section, if Section 18211 property is disposed of during a taxable year beginning after December 31, 1962, the amount by which the lower of—

(A) The recomputed basis of the property, or

(B) (i) In the case of a sale, exchange or involuntary conversion, the amount realized, or

(ii) In the case of any other disposition, the fair market value of such property,

exceeds the adjusted basis of such property shall be treated as gain from the sale or exchange or property which is neither a capital asset nor property described in Sections 18181 and 18182. Such gain shall be recognized notwithstanding any other provision of this part.

(2) For purposes of this section, the term "recomputed basis" means—

(A) With respect to any property referred to in subparagraphs (A) or (B) of paragraph (3), its adjusted

basis recomputed by adding thereto all adjustments, attributable to periods after December 31, 1961,

(B) With respect to any property referred to in subparagraph (C) of paragraph (3), its adjusted basis recomputed by adding thereto all adjustments attributable to periods after June 30, 1963,

(C) With respect to livestock its adjusted basis recomputed by adding thereto all adjustments attributable to periods after December 31, 1969, or

(D) With respect to any property referred to in subparagraph (D) of paragraph (3), its adjusted basis recomputed by adding thereto all adjustments attributable to periods beginning with the first month for which a deduction for amortization is allowed under Section 17226,

reflected in such adjusted basis on account of deductions (whether in respect of the same or other property) allowed or allowable to the taxpayer or to any other person for depreciation, or for amortization under Section 17226. For purposes of the preceding sentence if the taxpayer can establish by adequate records or other sufficient evidence that the amount allowed for depreciation, or for amortization under Section 17226, for any period was less than the amount allowable, the amount added for such period shall be the amount allowed.

(3) For purposes of this section, the term "Section 18211 property" means any property which is or has been property of a character subject to the allowance for depreciation provided in Sections 17208 to 17211.7, inclusive, and is either—

(A) Personal property,

(B) Other property (not including a building or its structural components) but only if such other property is tangible and has an adjusted basis in which there are reflected adjustments described in paragraph (2) for a period in which such property (or other property)—

(i) Was used as an integral part of manufacturing, production, or extraction or of furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services, or

(ii) Constituted research or storage facilities used in connection with any of the activities referred to in clause (i),

(C) An elevator or an escalator, or

(D) So much of any real property (other than any property described in subparagraph (B)) which has an adjusted basis in which there are reflected adjustments for amortization under Section 17226.

(b) (1) Subdivision (a) shall not apply to a disposition by gift.

(2) Except as provided in Section 17831 to 17837, inclusive (relating to income in respect of a decedent), subdivision (a)

shall not apply to a transfer at death.

(3) If the basis of property in the hands of a transferee is determined by reference to its basis in the hands of the transferor by reason of the application of Section 17431, 17481, 17881, 17891, or Section 24502, 24521, or 24551 of the Bank and Corporation Tax Law, then the amount of gain taken into account by the transferor under paragraph (1) of subdivision (a) shall not exceed the amount of gain recognized to the transferor on the transfer of such property (determined without regard to this section). This paragraph shall not apply to a disposition to an organization which is exempt from the tax imposed by this part.

(4) If property is disposed of and gain (determined without regard to this section) is not recognized in whole or in part under Section 18081 or Sections 18082 to 18090.2, inclusive, then the amount of gain taken into account by the transferor under paragraph (1) of subdivision (a) shall not exceed the sum of—

(A) The amount of gain recognized on such disposition (determined without regard to this section), plus

(B) The fair market value of property acquired which is not Section 18211 property and which is not taken into account under subparagraph (A).

(5) Under regulations prescribed by the Franchise Tax Board, rules consistent with paragraphs (3) and (4) of this subdivision shall apply in the case of transactions described in Section 18121 (relating to gain from sale or exchange to effectuate policies of FCC) or Sections 18131 to 18134, inclusive (relating to exchanges in obedience to SEC orders).

(6) (A) For purposes of this section, the basis of Section 18211 property distributed by a partnership to a partner shall be deemed to be determined by reference to the adjusted basis of such property to the partnership.

(B) In the case of any property described in subparagraph (A), for purposes of computing the recomputed basis of such property the amount of the adjustments added back for periods before the distribution by the partnership shall be—

(i) The amount of the gain to which subdivision (a) would have applied if such property had been sold by the partnership immediately before the distribution at its fair market value at such time, reduced by

(ii) The amount of such gain to which Section 17912 applied.

(c) The Franchise Tax Board shall prescribe such regulations as it may deem necessary to provide for adjustments to the basis of property to reflect gain recognized under subdivision (a).

(d) This section shall apply notwithstanding any other provision of this part.

SEC. 117. Section 18212 of the Revenue and Taxation Code is amended to read:

18212. (a) Except as otherwise provided in Sections 18212 to 18218, inclusive, if Section 18212 property is disposed of after December 31, 1970, the applicable percentage of the lower of—

(1) That portion of the additional depreciation (as defined in subdivision (a) or (d) of Section 18213) attributable to periods after December 31, 1970, in respect of the property, or

(2) The excess of—

(A) The amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value of such property (in the case of any other disposition), over

(B) The adjusted basis of such property,

shall be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in Sections 18181 and 18182. Such gain shall be recognized notwithstanding any other provisions of this part.

(3) For purposes of subdivision (a), the term "applicable percentage" means—

(A) In the case of Section 18212 property disposed of pursuant to a written contract which was, on December 31, 1970, and at all times thereafter, binding on the owner of the property, 100 percent minus one percentage point for each full month the property was held after the date the property was held 20 full months;

(B) In the case of residential rental property (as defined in paragraph (2) of subdivision (b) of Section 17211.6) other than that covered by subparagraph (A), 100 percent minus one percentage point for each full month the property was held after the date the property was held 100 full months;

(C) In the case of Section 18212 property with respect to which a depreciation deduction for rehabilitation expenditures was allowed under Section 17211.7, 100 percent minus one percentage point for each full month in excess of 100 full months after the date on which such property was placed in service; and

(D) In the case of all other Section 18212 property, 100 percent.

Subparagraphs (A) and (B) shall not apply with respect to the additional depreciation described in subdivision (d) of Section 18213.

(b) (1) If Section 18212 property is disposed of after December 31, 1963, and the amount determined under paragraph (2) of subdivision (a) exceeds the amount determined under paragraph (1) of subdivision (a), then the applicable percentage of the lower of—

(A) That portion of the additional depreciation attributable to periods before January 1, 1971, in respect of the property, or

(B) The excess of the amount determined under paragraph (2) of subdivision (a) over the amount determined under paragraph (1) of subdivision (a),

shall also be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in Sections 18181 and 18182. Such gain shall be recognized notwithstanding any other provision of this part.

(2) For purposes of paragraph (1) of this subdivision, the term "applicable percentage" means 100 percent minus one percentage point for each full month the property was held after the date on which the property was held for 20 full months.

SEC. 118. Section 18213 of the Revenue and Taxation Code is amended to read:

18213. For purposes of Sections 18212 to 18218, inclusive—.

(a) The term "additional depreciation" means, in the case of any property, the depreciation adjustments in respect of such property; except that, in the case of property held more than one year, it means such adjustments only to the extent that they exceed the amount of the depreciation adjustments which would have resulted if such adjustments had been determined for each taxable year under the straight line method of adjustment. For purposes of the preceding sentence, if a useful life (or salvage value) was used in determining the amount allowed as a deduction for any taxable year, such life (or value) shall be used in determining the depreciation adjustments which would have resulted for such year under the straight line method.

(b) In the case of a lessee, in determining the depreciation adjustments which would have resulted in respect of any building erected (or other improvement made) on the leased property, or in respect of any cost of acquiring the lease, the lease period shall be treated as including all renewal periods. For purposes of the preceding sentence—

(1) The term "renewal period" means any period for which the lease may be renewed, extended, or continued pursuant to an option exercisable by the lessee, but

(2) The inclusion of renewal periods shall not extend the period taken into account by more than two-thirds of the period on the basis of which the depreciation adjustments were allowed.

(c) The term "depreciation adjustments" means, in respect of any property, all adjustments attributable to periods after December 31, 1963, reflected in the adjusted basis of such property on account of deductions (whether in respect of the same or other property) allowed or allowable

to the taxpayer or to any other person for exhaustion, wear and tear, obsolescence, or amortization. For purposes of the preceding sentence, if the taxpayer can establish by adequate records or other sufficient evidence that the amount allowed as a deduction for any period was less than the amount allowable, the amount taken into account for such period shall be the amount allowed.

(d) The term "additional depreciation" also means, in the case of Section 18212 property with respect to which a depreciation deduction for rehabilitation expenditures was allowed under Section 17211.7, the depreciation adjustments allowed under such section to the extent attributable to such property, except that, in the case of such property held for more than one year after the rehabilitation expenditures so allowed were incurred, it means such adjustments only to the extent that they exceed the amount of the depreciation adjustments which would have resulted if such adjustments had been determined under the straight line method of adjustment without regard to the useful life permitted under Section 17211.7.

SEC. 119. Section 18217 of the Revenue and Taxation Code is amended to read:

18217. (a) If, in the case of a disposition of Section 18212 property, the property is treated as consisting of more than one element by reason of subdivision (c), then the amount taken into account under Section 18212 in respect of such Section 18212 property as gain from the sale or exchange of property which is neither a capital asset nor property described in Sections 18181 and 18182 shall be the sum of the amounts determined under subdivision (b).

(b) For purposes of subdivision (a), the amount taken into account for any element shall be the sum of—

(1) The amount (if any) determined by multiplying—

(A) The amount which bears the same ratio to the lower of the amounts specified in paragraph (1) or (2) of subdivision (a) of Section 18212 for the Section 18212 property as the additional depreciation for such element attributable to periods after December 31, 1970, bears to the sum of the additional depreciation for all elements attributable to periods after December 31, 1970, by

(B) The applicable percentage for such element, and

(2) The amount (if any) determined by multiplying—

(A) The amount which bears the same ratio to the lower of the amounts specified in subparagraphs (A) or (B) of paragraph (1) of subdivision (b) of Section 18212 for the Section 18212 property as the additional depreciation for such element attributable to periods before January 1, 1971, bears to the sum of the additional depreciation for all elements attributable to periods before January 1, 1971, by

(B) The applicable percentage for such element.

For purposes of this paragraph, determinations with respect to any element shall be made as if it were a separate property.

(c) In applying this section in the case of any Section 18212 property, there shall be treated as a separate element—

(1) Each separate improvement,

(2) If, before completion of Section 18212 property, units thereof (as distinguished from improvements) were placed in service, each such unit of Section 18212 property, and

(3) The remaining property which is not taken into account under paragraphs (1) and (2).

(d) For purposes of this section—

(1) The term "separate improvement" means each improvement added during the 36-month period ending on the last day of any taxable year to the capital account for the property, but only if the sum of the amounts added to such account during such period exceeds the greatest of—

(A) Twenty-five percent of the adjusted basis of the property,

(B) Ten percent of the adjusted basis of the property, determined without regard to the adjustments provided in subdivisions (b) and (c) of Section 18052, or

(C) Five thousand dollars ($5,000).

For purposes of subparagraphs (A) and (B), the adjusted basis of the property shall be determined as of the beginning of the first day of such 36-month period, or of the holding period of the property (within the meaning of Section 18216), whichever is the later.

(2) Improvements in any taxable year shall be taken into account for purposes of paragraph (1) only if the sum of the amounts added to the capital account for the property for such taxable year exceeds the greater of—

(A) Two thousand dollars ($2,000), or

(B) One percent of the adjusted basis referred to in subparagraph (B) of paragraph (1), determined, however, as of the beginning of such taxable year.

For purposes of Sections 18212 to 18218, inclusive, if the amount added to the capital account for any separate improvement does not exceed the greater of subparagraph (A) or (B), such improvement shall be treated as placed in service on the first day, of a calendar month, which is closest to the middle of the taxable year.

(3) The term "improvement" means, in the case of any Section 18212 property, any addition to capital account for such property after the initial acquisition or after completion of the property.

SEC. 120. Section 18218.5 is added to the Revenue and Taxation Code, to read:

18218.5. (a) A transfer of a franchise, trademark, or trade

name shall not be treated as a sale or exchange of a capital asset if the transferor retains any significant power, right, or continuing interest with respect to the subject matter of the franchise, trademark, or trade name.

(b) For purposes of this section—

(1) The term "franchise" includes an agreement which gives one of the parties to the agreement the right to distribute, sell, or provide goods, services, or facilities, within a specified area.

(2) The term "significant power, right, or continuing interest" includes, but is not limited to, the following rights with respect to the interest transferred:

(A) A right to disapprove any assignment of such interest, or any part thereof.

(B) A right to terminate at will.

(C) A right to prescribe the standards of quality of products used or sold, or of services furnished, and of the equipment and facilities used to promote such products or services.

(D) A right to require that the transferee sell or advertise only products or services of the transferor.

(E) A right to require that the transferee purchase substantially all of his supplies and equipment from the transferor.

(F) A right to payments contingent on the productivity, use, or disposition of the subject matter of the interest transferred, if such payments constitute a substantial element under the transfer agreement.

(3) The term "transfer" includes the renewal of a franchise, trademark, or trade name.

(c) Amounts received or accrued on account of a transfer, sale, or other disposition of a franchise, trademark, or trade name which are contingent on the productivity, use, or disposition of the franchise, trademark, or trade name transferred shall be treated as amounts received or accrued from the sale or other disposition of property which is not a capital asset.

(d) (1) Amounts paid or incurred during the taxable year on account of a transfer, sale, or other disposition of a franchise, trademark, or trade name which are contingent on the productivity, use, or disposition of the franchise, trademark, or trade name transferred shall be allowed as a deduction under subdivision (a) of Section 17202 (relating to trade or business expenses).

(2) If a transfer of a franchise, trademark, or trade name is not (by reason of the application of subdivision (a)) treated as a sale or exchange of a capital asset, any payment not described in paragraph (1) which is made in discharge of a principal sum agreed upon in the transfer agreement shall be

allowed as a deduction—

(A) In the case of a single payment made in discharge of such principal sum, ratably over the taxable years in the period beginning with the taxable year in which the payment is made and ending with the ninth succeeding taxable year or ending with the last taxable year beginning in the period of the transfer agreement, whichever period is shorter;

(B) In the case of a payment which is one of a series of approximately equal payments made in discharge of such principal sum, which are payable over—

(i) The period of the transfer agreement, or

(ii) A period of more than 10 taxable years, whether ending before or after the end of the period of the transfer agreement,

in the taxable year in which the payment is made; and

(C) In the case of any other payment, in the taxable year or years specified in regulations prescribed by the Franchise Tax Board, consistently with the preceding provisions of this paragraph.

(e) This section shall not apply to the transfer of a franchise to engage in professional football, basketball, baseball, or other professional sport.

SEC. 120.1. Section 18241 of the Revenue and Taxation Code is amended to read:

18241. If an eligible individual has averageable income for the computation year, and if the amount of such income exceeds three thousand dollars ($3,000), then the tax imposed by Section 17041 for the computation year which is attributable to averageable income shall be five times the increase in tax under such section which would result from adding 20 percent of such income to 133⅓ percent of average base period income.

SEC. 120.2. Section 18242 of the Revenue and Taxation Code is repealed.

SEC. 120.3. Section 18242 is added to the Revenue and Taxation Code, to read:

18242. (a) For purposes of this article, the term "averageable income" means the amount by which taxable income for the computation year (reduced as provided in subdivision (b)) exceeds 133⅓ percent of average base period income.

(b) The taxable income for the computation year shall be reduced by—

(1) The amount (if any) to which Section 17112.5 applies, and

(2) The amounts included in the income of a beneficiary of a trust under subdivision (a) of Section 17776.

(c) For purposes of this article—

(1) The term "average base period income" means

one-fourth of the sum of the base period incomes for the base period.

(2) The base period income for any taxable year is the taxable income for such year—

(A) Decreased by the amounts included in the income of a beneficiary of a trust under subdivision (a) of Section 17776; and

(B) For taxable years beginning prior to January 1, 1967, increased by the amount of the deductions for personal exemption claimed for such year; and

(C) For the purposes of this article, with respect to computation years beginning after December 31, 1971, the percentages provided for in Section 18162.5 shall be applied to the capital gains and losses for the base years beginning after December 31, 1967, and ending on or before December 31, 1972.

(d) For purposes of this article—

(1) The term "computation year" means the taxable year for which the taxpayer chooses the benefits of this article.

(2) The term "base period" means the four taxable years immediately preceding the computation year.

(3) The term "base period year" means any of the four taxable years immediately preceding the computation year.

(4) The term "joint return" means the return of a husband and wife made under Section 18402.

SEC. 120.4. Section 18243 of the Revenue and Taxation Code is amended to read:

18243. (a) Except as otherwise provided in this section, for purposes of this article the term "eligible individual" means any individual who is a resident of this state throughout the computation year.

(b) For purposes of this article, an individual shall not be an eligible individual for the computation year if, at any time during such year or the base period, such individual was a nonresident.

(c) (1) For purposes of this article, an individual shall not be an eligible individual for the computation year if, for any base period year, such individual (and his spouse) furnished less than one-half of his support.

(2) Paragraph (1) shall not apply to any computation year if—

(A) Such year ends after the individual attained age 25 and, during at least four of his taxable years beginning after he attained age 21 and ending with his computation year, he was not a full-time student.

(B) More than one-half of the individual's taxable income for the computation year is attributable to work performed by him in substantial part during two or more of the base period years, or

(C) The individual makes a joint return for the computation year and not more than 25 percent of the aggregate adjusted gross income of such individual and his spouse for the computation year is attributable to such individual.

(d) For purposes of this section, the term "student" means, with respect to a taxable year, an individual who during each of five calendar months during such taxable year—

(1) Was a full-time student at an educational institution (as defined in subdivision (c) of Section 17150); or

(2) Was pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational institution (as defined in subdivision (c) of Section 17150) or of a state or political subdivision of a state.

SEC. 120.5. Section 18244 of the Revenue and Taxation Code is amended to read:

18244. (a) This article shall apply to the taxable year only if the taxpayer chooses to have the benefits of this article for such taxable year. Such choice may be made or changed at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this part for the taxable year.

(b) If the taxpayer chooses the benefits of this article for the taxable year, the following provisions shall not apply to him for such year:

(1) Section 17048 (relating to the optional tax table) and

(2) Subdivision (b) of Section 17112.7 (relating to limitation of tax in case of certain distributions with respect to contributions by self-employed individuals).

(c) (1) Paragraph (2) of this subdivision shall apply in the case of any individual who was married for any base period year or the computation year; except that such paragraphs shall not apply in respect of a base period year if—

(A) Such individual and his spouse make a joint return for the computation year, and

(B) Such individual was not married to any other spouse for such base period year.

(2) For purposes of this article, the base period income of an individual for any base period year shall not be less than 50 percent of the base period income which would result from combining his income and deductions for such year—

(A) With the income and deductions for such year of the individual who is his spouse for the computation year, or

(B) If greater, with the income and deductions for such year of the individual who was his spouse for such base period year.

(C) With respect to computation years beginning after December 31, 1971, for the purposes of subparagraphs (A) and (B), for base years beginning after December 31, 1967,

and ending before November 30, 1972, the percentages provided for in Section 18162.5 shall be used to determine the amount of capital gains for such taxable years.

(3) For purposes of this subdivision, Section 17173 shall apply in determining whether an individual is married for any taxable year.

(d) In the case of joint return, the three thousand dollars ($3,000) figure contained in Section 18241 shall be applied to the aggregate averageable income.

(e) (1) Section 17112.5 (relating to penalties applicable to certain amounts received by owner-employees) shall be applied as if this article had not been enacted.

(2) Except as otherwise provided in this article, the order and manner in which items of income or limitations on tax shall be taken into account in computing the tax imposed by this part on the income of any eligible individual to whom Section 18241 applies for any computation year shall be determined under regulations prescribed by the Franchise Tax Board.

(f) In the case of any computation year or base period year which is a short taxable year, this article shall be applied in the manner provided in regulations prescribed by the Franchise Tax Board.

SEC. 121. Section 18402.9 is added to the Revenue and Taxation Code, to read:

18402.9. Under regulations prescribed by the Franchise Tax Board, if—

(a) A joint return has been made under this chapter for a taxable year and on such return there was omitted from gross income an amount properly includable therein which is attributable to one spouse and which is in excess of 25 percent of the amount of gross income stated in the return,

(b) The other spouse establishes that in signing the return he or she did not know of, and had no reason to know of, such omission, and

(c) Taking into account whether or not the other spouse significantly benefited directly or indirectly from the items omitted from gross income and taking into account all other facts and circumstances, it is inequitable to hold the other spouse liable for the deficiency in tax for such taxable year attributable to such omission,

then the other spouse shall be relieved of liability for tax (including interest, penalties, and other amounts) for such taxable year to the extent that such liability is attributable to such omission from gross income.

(d) For purposes of this section, the determination of the spouse to whom items of gross income (other than gross income from property) are attributable shall be made without regard to community property laws, and the amount

omitted from gross income shall be determined in the manner provided by Section 18586.1.

SEC. 122. Section 18403 of the Revenue and Taxation Code is amended to read:

18403. If the taxpayer is unable to make his own return (including the return required by Sections 18414, 18414.5, and 18415), the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of the taxpayer.

SEC. 123. Section 18405.1 is added to the Revenue and Taxation Code, to read:

18405.1. A trust which qualifies under Section 17501 and which is exempt need not file a return unless it changes the character of its organization, the purpose for which it was organized, or its method of operation or unless the trust has unrelated business taxable income. Where an exempt trust has unrelated business taxable income which exceeds one thousand dollars ($1,000) it shall file a return, verified by an executive officer under penalties of perjury in the form prescribed by the Franchise Tax Board on or before the 15th day of the fourth month following the close of the income year.

SEC. 126. Section 18412.5 of the Revenue and Taxation Code is repealed.

SEC. 127. Section 18414 of the Revenue and Taxation Code is amended to read:

18414. For taxable years ending on or before November 30, 1972, a declaration of estimated tax must be filed if the estimated tax amounts to the lesser of the amounts stated in subdivisions (a) and (b)—

(a) The tax paid for the preceding taxable year, provided it amounts to four hundred dollars ($400) or more, in the case of a return by a single person and a joint return filed by a married couple, or two hundred dollars ($200) or more in the case of a separate return filed by a married person, or

(b) A tax, less tax withheld or reasonably anticipated to be withheld, which is estimated to be due based upon the income of the taxable year, provided it amounts to four hundred dollars ($400) or more in the case of a declaration by a single person and a joint declaration by a married couple, or two hundred dollars ($200) or more in the case of a separate declaration by a married person.

(c) If the tax for the preceding year is four hundred dollars ($400) or more in the case of a return by a single person and a joint return filed by a married couple, or two hundred dollars ($200) or more in the case of a separate return filed by a married person, but the estimated tax for the taxable year is less than those amounts, a declaration must nevertheless be filed showing the basis for the estimate.

SEC. 128. Section 18414.5 is added to the Revenue and Taxation Code, to read:

18414.5. For taxable years beginning on and after January 1, 1972, and ending on or before November 30, 1973, every resident individual shall make a declaration of estimated tax if—

(a) Gross income can reasonably be expected to include income other than wages (as defined in Section 18807) amounting to one thousand dollars ($1,000) or more in the case of a return filed by a single person or a joint return filed by a married couple, or five hundred dollars ($500) or more in the case of a separate return filed by a married person, and

(b) The tax computed under Section 17041 or 17048 upon the estimated income for the taxable year, minus the sum of any credits against the tax provided by this part, is—

(1) One hundred dollars ($100) or more in the case of a return by a single person or a joint return filed by a married couple, or

(2) Fifty dollars ($50) or more in the case of a separate return filed by a married person.

SEC. 129. Section 18415 is added to the Revenue and Taxation Code, to read:

18415. Except as provided in subdivision (c), for taxable years beginning on and after January 1, 1973, every individual shall make a declaration of estimated tax for the lesser of the amounts stated in subdivision (a) or (b), provided it amounts to one hundred dollars ($100) or more in the case of a return by a single person or a joint return filed by a married couple, or fifty dollars ($50) or more in the case of a separate return filed by a married person.

(a) The tax imposed under Section 17041 or 17048 for the preceding taxable year, minus the sum of any credits against the tax provided by this part.

(b) A tax computed under Section 17041 or 17048 upon the estimated income for the taxable year minus the sum of any credits against the tax provided by this part.

(c) If the tax determined under subdivision (a) is less than one hundred dollars ($100) in the case of a return by a single person or a joint return filed by a married couple, or fifty dollars ($50) in the case of a separate return filed by a married person, no declaration is required.

(d) The declaration provided by this section shall contain such pertinent information as the Franchise Tax Board may by forms or regulations prescribe.

(e) An individual may make amendments of a declaration filed during the taxable year under regulations prescribed by the Franchise Tax Board.

(f) If on or before January 31 (or March 1, in the case of an individual referred to in paragraph (2) of subdivision (b) of

Section 18435, relating to income from farming or fishing) of the succeeding taxable year the taxpayer files a return, for the taxable year for which the declaration is required, and pays in full the amount computed on the return as payable, then, under regulations prescribed by the Franchise Tax Board—

(1) If the declaration is not required to be filed during the taxable year, but is required to be filed on or before January 15, such return shall be considered as such declaration; and

(2) If the tax shown on the return (reduced by the sum of the credits against tax provided by subdivision (b) of this section) is greater than the estimated tax shown in a declaration previously made, or in the last amendment thereof, such return shall be considered as the amendment of the declaration permitted by subdivision (e) to be filed on or before January 15.

In the application of this subdivision, in the case of a taxable year beginning on any date other than January 1, there shall be substituted, for the 15th or last day of the months specified in this subdivision, the 15th or last day of the months which correspond thereto.

(g) An individual with a taxable year of less than 12 months shall make a declaration in accordance with regulations prescribed by the Franchise Tax Board.

(h) The provisions of this section shall not apply to an estate or trust.

(i) The provisions of this section shall apply to a nonresident individual.

(j) In the case of a husband and wife, a single declaration of estimated tax under Section 18414.5 or this section may be made by them jointly, in which case the liability with respect to the estimated tax shall be joint and several. No joint declaration may be made if either the husband or the wife is a nonresident, if they are separated under a decree of divorce or of separate maintenance or a final judgment of dissolution of marriage, or if they have different taxable years. If a joint declaration is made but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

SEC. 130. Section 18416 of the Revenue and Taxation Code is amended to read:

18416. The provisions of this part requiring declarations of estimated tax shall not apply to an estate, trust or nonresident, except that the provisions of Section 18415 shall apply to a nonresident.

SEC. 131. Section 18433 of the Revenue and Taxation Code is amended to read:

18433. A reasonable extension of time for filing any return,

declaration, statement or other document or for payment of tax required by this part may be granted by the Franchise Tax Board whenever in its judgment good cause exists. Requests for extensions must be made on or before the due date for filing the return, declaration, statement, or other document. Except in the case of taxpayers who are abroad, no such extension or extensions shall be for more than six months, except that no such extension or extensions of the time for filing and payment of withheld tax under Section 18491 may exceed 60 days.

SEC. 132. Section 18434 of the Revenue and Taxation Code is amended to read:

18434. (a) In the case of an individual who is serving as a member of the armed forces of the United States or any auxiliary branch thereof, or the merchant marine, beyond the boundaries of the United States, the Franchise Tax Board shall automatically grant, without application being made therefor, an extension of time, free from interest and penalties, for filing the return (except income withheld at source), for payment of the tax (except income withheld at source), for taking any of the steps required by Sections 18590, 18593, 19053, 19057 and 19058, until 180 days after his return to the United States.

(b) "United States," as used in subdivision (a) means the 50 states of the United States and the District of Columbia.

SEC. 133. Section 18435 of the Revenue and Taxation Code is amended to read:

18435. (a) Declarations of estimated tax required to be filed under Section 18414 shall be filed on or before the last day of the 10th month of the taxable year.

(b) (1) Declarations of estimated tax required to be filed under Section 18414.5 or Section 18415 from individuals regarded as neither farmers nor fishermen shall be filed on or before April 15 of the taxable year, except that if the requirements of Section 18414.5 or 18415 are first met—

(A) After April 1 and before June 2 of the taxable year, the declaration shall be filed on or before June 15 of the taxable year, or

(B) After June 1 and before September 2 of the taxable year, the declaration shall be filed on or before September 15 of the taxable year, or

(C) After September 1 of the taxable year, the declaration shall be filed on or before January 15 of the succeeding taxable year.

(2) Declarations of estimated tax required by Section 18414.5 or 18415 from individuals whose estimated gross income from farming or fishing (including oyster farming) for the taxable year is at least two-thirds of the total estimated gross income from all sources for the taxable year may, in lieu

of the time prescribed in paragraph (1), be filed at any time on or before January 15 of the succeeding taxable year.

(c) An amendment of a declaration may be filed in any interval between installment dates prescribed for that taxable year, but only one amendment may be filed in each such interval.

(d) The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

(e) In the application of this section to the case of a taxable year beginning on any date other than January 1, there shall be substituted, for the months specified in this section, the months which correspond thereto.

SEC. 134. Article 5 (commencing with Section 18491) is added to Chapter 17 of Part 10 of Division 2 of the Revenue and Taxation Code, to read:

Article 5. Returns of Withheld Tax on Wages

18491. (a) Every employer required to withhold any tax under Section 18806 shall, for the calendar quarter beginning January 1, 1972, and for each calendar quarter thereafter (whether or not wages are paid therein), file a withholding return in a form prescribed by the Franchise Tax Board, and pay over the taxes so required to be withheld.

Except as provided in subdivision (b) of this section, the employer shall file a withholding return and remit the total amount of income taxes withheld during the calendar quarter on or before the last day of the month following the close of the calendar quarter.

(b) Notwithstanding subdivision (a), the employer shall remit the total amount of income tax, withheld during each first or second month of any calendar quarter, on or before the 15th day of the following calendar month if the income tax withheld for that month is more than one hundred dollars ($100), or if the Franchise Tax Board delegates its powers and duties as provided in Section 15702.1 of the Government Code and either of the following conditions exists:

(1) The income tax withheld for that month is more than one hundred dollars ($100).

(2) The worker contributions required by Section 984 of the Unemployment Insurance Code for that month are more than fifty dollars ($50).

(c) The Franchise Tax Board may, if it believes such action necessary, require any employer to make the return required by this section and pay to it the tax deducted and withheld at any time, or from time to time.

(d) The Franchise Tax Board may in its discretion, under regulations prescribed by it, when satisfied that amounts

withheld will be adequately safeguarded, permit an employer to file a withholding return and pay over taxes deducted and withheld for other than monthly or quarterly periods and without regard to the monetary amounts specified in subdivisions (a) and (b).

18492. (a) Whenever any person or employer who is required to collect, account for, and pay over any tax imposed by this part—

(1) At the time and in the manner prescribed by law or regulations (A) fails to collect, truthfully account for, or pay over such tax, or (B) fails to make deposits, payments, or returns of such tax, and

(2) Is notified, by notice delivered in hand or by registered mail of any such failure,

then all the requirements of subdivision (b) shall be complied with. In the case of a corporation, partnership, or trust, notice to an officer, partner, or trustee, shall, for purposes of this section, be deemed to be sufficient notice to such corporation, partnership, or trust and to all officers, partners, trustees, and employees thereof.

(b) Any person or employer who is required to collect, account for, and pay over any tax imposed by this part, if notice has been delivered to such person or employer in accordance with subdivision (a), shall collect the taxes imposed by this part, which become collectible after delivery of such notice, shall (not later than the end of the second banking day after any amount of such taxes is collected) deposit such amount in a separate account in a bank located within the limits of this state, and shall keep the amount of such taxes in such account until payment over to the Franchise Tax Board. Any such account shall be designated as a special fund in trust for the Franchise Tax Board, payable to the Franchise Tax Board by such person or employer as trustee.

(c) Whenever the Franchise Tax Board is satisfied, with respect to any notification made under subdivision (a), that all requirements of law and regulations with respect to the taxes imposed by this part, will henceforth be complied with, it may cancel such notification. Such cancellation shall take effect at such time as is specified in the notice of such cancellation.

18493. The Franchise Tax Board is authorized to require such information with respect to persons subject to the taxes imposed by Article 1 (commencing with Section 18801) of Chapter 19 of this part (relating to tax withheld on wages) as is necessary or helpful in securing proper identification of such persons.

SEC. 135. Section 18551.1 of the Revenue and Taxation Code is amended to read:

18551.1. (a) (1) For purposes of this part, the amount withheld under Sections 18805 and 18806 during any calendar year shall be allowed to the recipient of the income as a credit against the tax imposed by this part.

(2) The amount so withheld during any calendar year shall be allowed as a credit for the taxable year beginning in such calendar year, except that, in the case of amounts deducted and withheld under Section 18805, the amount withheld shall be allowed as a credit for the taxable year with respect to which such amount was withheld. In the case of amounts withheld under Section 18806, if more than one taxable year begins in a calendar year, such amounts shall be allowed as a credit for the last taxable year so beginning.

(b) For purposes of Section 19053, any tax actually deducted and withheld during any calendar year under Sections 18805 and 18806 shall, in respect of the recipient of the income, be deemed to have been paid by him on the 15th day of the fourth month following the close of the taxable year with respect to which such tax is allowable as a credit under subdivision (a). For purposes of Sections 19053 and 19062, any amount paid as estimated income tax under Sections 18414, 18414.5, and 18415 for the 15th day of the fourth month following the close of the taxable year with respect to which such tax is allowable as a credit under subdivision (a). For purposes of Sections 19053 and 19062, any amount paid as estimated income tax under Sections 18414, 18414.5, and 18415 for any taxable year shall be deemed to have been paid on the last day prescribed for filing the return under Section 18401 for such taxable year (determined without regard to any extension of time for filing such return).

(c) Notwithstanding subdivision (b), for purposes of Section 19053 with respect to any tax deducted and withheld under Sections 18805 and 18806—

(1) If a return for any period ending with or within a calendar year is filed before April 15 of the succeeding calendar year, such return shall be considered filed on April 15 of such succeeding calendar year; and

(2) If a tax with respect to an amount paid during any period ending with or within a calendar year is paid before April 15 of the succeeding calendar year, such tax shall be considered paid on April 15 of such succeeding calendar year.

(d) If any overpayment of income tax is, in accordance with Section 19051.1, claimed as a credit against estimated tax for the succeeding taxable year, such amount shall be considered as a payment of the income tax for the succeeding taxable year (whether or not claimed as a credit in the return of estimated tax for such succeeding taxable year), and no claim for credit or refund of such overpayment shall be allowed for the taxable year in which the overpayment arises.

SEC. 136. Section 18551.2 of the Revenue and Taxation Code is repealed.

SEC. 136.5. Section 18556 of the Revenue and Taxation Code is repealed.

SEC. 137. Section 18556 is added to the Revenue and Taxation Code, to read:

18556. (a) Fifty percent of the amount of estimated tax, with respect to which a declaration is required under Section 18414, shall be paid within the period provided for filing the declaration under Section 18435 (determined without regard to any extension of time for filing such declaration).

(b) The amount of estimated tax for which a declaration is required under Section 18414.5 or 18415 shall be paid as follows:

(1) If the declaration is filed on or before April 15 of the taxable year, the estimated tax shall be paid in four equal installments. The first installment shall be paid at the time of the filing of the declaration, the second and third on June 15 and September 15, respectively, of the taxable year, and the fourth on January 15 of the succeeding taxable year.

(2) If the declaration is filed after April 15 and not after June 15 of the taxable year, and is not required by paragraph (1) of subdivision (b) of Section 18435 to be filed on or before April 15 of the taxable year, the estimated tax shall be paid in three equal installments. The first installment shall be paid at the time of the filing of the declaration, the second on September 15 of the taxable year, and the third on January 15 of the succeeding taxable year.

(3) If the declaration is filed after June 15 and not after September 15 of the taxable year, and is not required by paragraph (1) of subdivision (b) of Section 18435 to be filed on or before June 15 of the taxable year, the estimated tax shall be paid in two equal installments. The first installment shall be paid at the time of the filing of the declaration, and the second on January 15 of the succeeding taxable year.

(4) If the declaration is filed after September 15 of the taxable year, and is not required by paragraph (1) of subdivision (b) of Section 18435 to be filed on or before September 15 of the taxable year, the estimated tax shall be paid in full at the time of the filing of the declaration.

(5) If the declaration is filed after the time prescribed in paragraph (1) of subdivision (b) of Section 18435 (including cases in which an extension of time for filing the declaration has been granted), paragraphs (2), (3), and (4) of this subdivision shall not apply, and there shall be paid at the time of such filing all installments of estimated tax which would have been payable on or before such time if the declaration had been filed within the time prescribed in paragraph (1) of subdivision (b) of Section 18435, and the remaining

installments shall be paid at the times at which, and in the amounts in which, they would have been payable if the declaration had been so filed.

(c) If an individual referred to in paragraph (2) of subdivision (b) of Section 18435 (relating to income from farming or fishing) makes a declaration of estimated tax after September 15 of the taxable year and on or before January 15 of the succeeding taxable year, the estimated tax shall be paid in full at the time of the filing of the declaration.

(d) If any amendment of a declaration is filed, the remaining installments, if any, shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated tax by reason of such amendment, and if any amendment is made after September 15 of the taxable year, any increase in the estimated tax by reason thereof shall be paid at the time of making such amendment.

(e) The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

(f) In the application of this section to the case of a taxable year beginning on any date other than January 1, there shall be substituted, for the months specified in this section, the months which correspond thereto.

(g) At the election of the individual, any installment of the estimated tax may be paid prior to the date prescribed for its payment.

SEC. 138. Section 18557 of the Revenue and Taxation Code is amended to read:

18557. Payment of the estimated income tax, or any installment thereof, shall be considered payment on account of the income taxes imposed by this part for the taxable year. If a joint declaration is filed but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

SEC. 139. Section 18588 of the Revenue and Taxation Code is amended to read:

18588. (a) For the purposes of Sections 18586, 18586.1, and 18587, a return of tax imposed by Article 1 (commencing with Section 18801) of Chapter 19 of this part (relating to withholding at source), filed before the last day prescribed by law for filing, shall be considered as filed on that day. For purposes of Section 19033, payment of any portion of the tax made before the last day prescribed for the payment of the tax shall be considered made on such last day.

(b) For purposes of this section, if a return of tax imposed by Article 1 (commencing with Section 18801) of Chapter 19 of this part (relating to withholding at the source), for any

period ending with or within a calendar year is filed before April 15 of the succeeding calendar year, such return shall be considered filed on April 15 of such calendar year.

SEC. 140. Section 18591.1 is added to the Revenue and Taxation Code, to read:

18591.1. (a) For purposes of this part, the term "deficiency" means the amount by which the tax imposed by this part exceeds the excess of—

(1) The sum of—

(A) The amount shown as the tax by the taxpayer upon his return, if a return was made by the taxpayer and an amount was shown as the tax by the taxpayer thereon, plus

(B) The amounts previously assessed (or collected without assessment) as a deficiency, over—

(2) The amount of rebates, as defined in paragraph (2) of subdivision (b), made.

(b) For purposes of this section—

(1) The tax imposed by this part and the tax shown on the return shall both be determined without regard to payments on account of estimated tax, and without regard to the credit under Section 18551.1.

(2) The term "rebate" means so much of an abatement, credit, refund, or other repayment, as was made on the ground that the tax imposed by this part was less than the excess of the amount specified in paragraph (1) of subdivision (a) over the rebates previously made.

SEC. 141. Section 18602 of the Revenue and Taxation Code is amended to read:

18602. (a) If on any return or claim for refund of taxes imposed under this part, there is an overstatement of the credit for income tax withheld, or of the amount paid as estimated income tax, the amount so overstated which is allowed against the tax shown on the return or which is allowed as a credit or refund may be assessed by the Franchise Tax Board in the same manner as is provided by Section 18601 in the case of a mathematical error appearing on the return.

(b) No unpaid amount of estimated tax under Section 18556 shall be assessed.

SEC. 142. Section 18681 of the Revenue and Taxation Code is amended to read:

18681. (a) If any taxpayer fails to make and file a return required by this part on or before the due date of the return or the due date as extended by the Franchise Tax Board, then, unless it is shown that the failure is due to reasonable cause and not due to willful neglect, 5 percent of the tax shall be added to the tax for each month or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed 25 percent of the tax. The penalty so added to the tax shall be due and payable

upon notice and demand from the Franchise Tax Board.

(b) For purposes of subdivision (a), the amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

(c) This section shall not apply to any failure to file a declaration of estimated tax required by Sections 18414, 18414.5, and 18415.

SEC. 143. Section 18681.1 is added to the Revenue and Taxation Code, to read:

18681.1. In the case of each failure—

(a) To file a statement of the aggregate amount of payments to another person required by Section 18802 (relating to information at source), Section 18803 (relating to payments of corporate dividends), subdivision (c) of Section 18823 (relating to information returns with respect to income tax withheld), or Section 18802.1 (relating to payments of patronage dividends),

(b) To make a return required by Section 18802.7 (relating to reporting information in connection with certain options) with respect to a transfer of stock or a transfer of legal title to stock, or

(c) To make a return required by Section 18802.5 (relating to reporting payment of wages in the form of group-term life insurance) with respect to a group-term life insurance on the life of an employee, on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect,

there shall be paid (upon notice and demand by the Franchise Tax Board and in the same manner as the tax), by the person or employer failing to file a statement referred to in subdivision (a) or a return referred to in subdivision (b) or (c), one dollar ($1) for each such failure, but the total amount imposed on the delinquent person or employer for all such failures during any calendar year shall not exceed one thousand dollars ($1,000).

SEC. 144. Section 18681.3 of the Revenue and Taxation Code is repealed.

SEC. 145. Section 18681.5 is added to the Revenue and Taxation Code, to read:

18681.5. If an employer fails to file the annual report of compensation paid and taxes withheld, required under subdivision (d) of Section 18823 on or before 30 days after notice has been given to the employer of his failure, unless such failure is due to reasonable cause, the employer, in addition to any other penalties imposed by this part, shall be

subjected to a penalty of twenty-five dollars ($25) for each month of delinquency, but the total penalty shall not exceed five hundred dollars ($500). The penalty shall be assessed and collected in the same manner as the tax.

SEC. 146. Section 18682 of the Revenue and Taxation Code is amended to read:

18682. If any taxpayer, upon notice and demand by the Franchise Tax Board, fails or refuses to make and file a return (other than a declaration of estimated tax required under Sections 18414, 18414.5, and 18415) required by this part, the Franchise Tax Board, notwithstanding the provisions of Section 18648, may estimate the net income and compute and levy the amounts of the tax due from any available information. In such case 25 percent of the tax, in addition to the penalty added under Section 18681, shall be added to the tax and shall be due and payable upon notice and demand from the Franchise Tax Board.

SEC. 147. Section 18685 of the Revenue and Taxation Code is amended to read:

18685. If any part of any deficiency is due to fraud with intent to evade tax, 50 percent of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this article, shall be assessed, collected, and paid in the same manner as if it were a deficiency. In the case of a joint return, this section shall not apply with respect to the tax of a spouse unless some part of the underpayment is due to the fraud of such spouse.

SEC. 148. Section 18685.1 of the Revenue and Taxation Code is amended and renumbered to read:

18685.01. (a) In case of any underpayment of estimated tax required to be paid under Section 18556 by the date prescribed therein, or the period as extended under Section 18433, with respect to declarations required by Section 18414, a penalty of 10 percent of the amount of the underpayment shall be added to the tax for the taxable year and shall be due and payable upon notice and demand from the Franchise Tax Board unless it is shown that such underpayment is due to reasonable cause and not due to willful neglect.

(b) The amount of the underpayment of estimated tax upon which the penalty is based shall be determined under Section 18685.7, whichever is applicable for the taxable year.

(c) The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 149. Section 18685.03 is added to the Revenue and Taxation Code, to read:

18685.03. In the case of any underpayment of estimated tax required to be paid under Section 18556 by the date prescribed therein (or the period as extended under Section

18433), with respect to declarations required by Section 18414, there shall be added to the tax for the taxable year interest at the rate of 6 percent per annum upon the amount of the underpayment (determined under Section 18685.7) for the period of the underpayment (determined under Section 18585.9).

SEC. 150. Section 18685.05 is added to the Revenue and Taxation Code, to read:

18685.05. (a) In the case of any underpayment of estimated tax required to be paid under Section 18556 by the date prescribed therein (or the period as extended under Section 18433), with respect to declarations required by Section 18415, there shall be added to the tax for the taxable year an amount determined at the rate of 6 percent per annum upon the amount of the underpayment (determined under Sections 18685.7 and 18685.8) for the period of the underpayment (determined under subdivision (b) of Section 18685.8).

(b) The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 151. Section 18685.07 is added to the Revenue and Taxation Code, to read:

18685.07. (a) If any person who is required by regulations prescribed under Section 18934—

(1) To include his identifying number in any return, statement, or other document.

(2) To furnish his identifying number to another person, or

(3) To include in any return, statement, or other document made with respect to another person the identifying number of such other person,

fails to comply with such requirement at the time prescribed by such regulations, such person shall pay a penalty of five dollars ($5) for each such failure, unless it is shown that such failure is due to reasonable cause.

(b) Article 2 (commencing with Section 18581) of this chapter (relating to deficiency procedures for income taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subdivision (a).

SEC. 152. Section 18685.1 is added to the Revenue and Taxation Code, to read:

18685.1. (a) In case of failure by any person or employer required by Section 18492 or by regulations of the Franchise Tax Board promulgated under Section 18492 to deposit on the date prescribed therefor, any amount of tax imposed by this part in a bank located within the limits of this state, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be imposed upon such

person or employer a penalty of 5 percent of the amount of the underpayment. For purposes of this section, the term "underpayment" means the excess of the amount of the tax required to be so deposited over the amount, if any, thereof deposited on or before the date prescribed therefor.

(b) For purposes of subdivision (a), the failure shall be deemed not to continue beyond the last date (determined without regard to any extension of time) prescribed for payment of the tax required to be deposited or beyond the date the tax is paid, whichever is earlier.

SEC. 153. Section 18685.2 is added to the Revenue and Taxation Code, to read:

18685.2. Any person or employer required to collect, truthfully account for, and pay over any tax imposed by this part who willfully fails to collect such tax, or truthfully account for and pay over such tax, or willfully attempts in any manner to evade or defeat any such tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over. No penalty shall be imposed under Section 18684 or 18685 for any offense to which this section is applicable.

SEC. 154. Section 18685.3 of the Revenue and Taxation Code is repealed.

SEC. 155. Section 18685.3 is added to the Revenue and Taxation Code, to read:

18685.3. In addition to the criminal penalty provided by Section 19410, any person or employer required under the provisions of Section 18823 to furnish a statement to an employee who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required under Section 18823, or regulations prescribed thereunder, shall for each such failure be subject to a penalty under this chapter of fifty dollars ($50), which shall be assessed and collected in the same manner as the tax.

SEC. 155.5. Section 18685.4 of the Revenue and Taxation Code is amended to read:

18685.4. Where the taxpayer has in good faith filed the declaration of estimated tax required by Section 18414 and made the payment required by Section 18556, he may file an amended declaration within 15 days after the end of the taxable year for which the original declaration was filed if the taxpayer generates unanticipated additional income in the taxable year after the original declaration was filed. The taxpayer shall pay at the time of filing the amended declaration, the additional estimated tax due on such declaration over the amount paid on the original declaration.

Any taxpayer filing the amended declaration of estimated

tax and making the additional payment required by this section shall not be subject to payment of interest.

SEC. 156. Section 18685.7 of the Revenue and Taxation Code is amended to read:

18685.7. For taxable years ending on or before November 30, 1972, the amount of the underpayment of estimated tax shall be the excess of 80 percent of whichever is the lesser of—

(a) The estimated tax set forth in subdivision (a) of Section 18414, or

(b) Eighty percent (50 percent in the case of individuals whose estimated gross income from farming or fishing, including oyster farming, for the taxable year is at least two-thirds of the total estimated gross income from all sources for the taxable year) of the tax shown on the return for the taxable year computed in accordance with the tax rates in effect for the taxable year, and reflecting any credits allowable under this part, provided it amounts to four hundred dollars ($400) or more, in the case of a return by a single person and a joint return by a married couple, or two hundred dollars ($200) or more in the case of a separate return filed by a married person,

over the amount, if any, of estimated tax paid on or before the date prescribed for payment.

SEC. 157. Section 18685.8 is added to the Revenue and Taxation Code, to read:

18685.8. (a) For taxable years beginning on and after January 1, 1973, the amount of the underpayment of estimated tax shall be the excess of whichever is the lesser of—

(1) The amount of the installment which would have been required to be paid under subdivision (b) of Section 18556 based upon the estimated tax set forth in subdivision (a) of Section 18415, or

(2) The amount of the installment which would have been required to be paid under subdivision (b) of Section 18556 if the estimated tax were equal to 80 percent (66⅔ percent in the case of individuals whose estimated gross income from farming or fishing, including oyster farming, for the taxable year is at least two-thirds of the total estimated gross income from all sources for the taxable year) of the tax shown on the return for the taxable year less any credits allowable under this part,

over the amount, if any, of the installment paid on or before the last date prescribed for payment.

(b) For taxable years beginning on and after January 1, 1973, the period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier—

(1) The 15th day of the fourth month following the close of the taxable year.

(2) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subdivision (a) for such installment date.

(c) Notwithstanding the provisions of the preceding subdivisions, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds whichever of the following is the least—

(1) The tax shown on the return of the individual for the preceding taxable year, if a return showing a liability for tax was filed by the individual for the preceding taxable year and such preceding year was a taxable year of 12 months, or

(2) An amount equal to 80 percent (66⅔ percent in the case of individuals referred to in subdivision (b) of Section 18435, relating to income from farming or fishing) of the tax for the taxable year computed by placing on an annualized basis the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. For purposes of this paragraph, the taxable income shall be placed on an annualized basis by—

(A) Multiplying by 12 (or, in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid, and

(B) Dividing the resulting amount by the number of months in the taxable year ending before the month in which such installment date falls, or

(3) An amount equal to 90 percent of the tax computed, at the rates applicable to the taxable year, on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid.

(4) An amount equal to the tax computed at the rates applicable to the taxable year but otherwise on the basis of the facts shown on the taxpayer's return for, and the law applicable to, the preceding taxable year.

(d) For purposes of applying this section—

(1) The estimated tax shall be computed without any reduction for the amount which the individual estimates as his credit under Section 18551.1 (relating to tax withheld at source on wages),

(2) The amount of the credit allowed under Section

18551.1 for the taxable year shall be deemed a payment of estimated tax, and an equal part of such amount shall be deemed paid on each installment date (determined under Section 18556) for such taxable year, unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts so withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld, and

(3) For purposes of paragraph (1) of subdivision (c), the term "preceding taxable year" shall mean the last preceding taxable year for which a tax was imposed upon all of an individual's taxable income.

(e) For purposes of subdivisions (a) and (c), the term "tax" means the tax imposed by this part reduced by the credits against tax allowed by this part, other than the credit against tax provided by Section 18551.1 (relating to tax withheld on wages).

(f) The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 158. Section 18687.1 is added to the Revenue and Taxation Code, to read:

18687.1. The last date prescribed for payment by Section 18687 shall be determined without regard to any notice and demand for payment issued, by reason of jeopardy (as provided in Article 4 (commencing with Section 18641) of this chapter), prior to the last date otherwise prescribed for such payment.

SEC. 159. Section 18697 is added to the Revenue and Taxation Code, to read:

18697. (a) Notwithstanding any section in this article to the contrary, in the case of any taxable year ending before enactment of the amendments made at the 1971 Regular Session of the Legislature, no interest on any underpayment of tax, to the extent such underpayment is attributable to the amendments made at the 1971 Regular Session of the Legislature, shall be assessed or collected.

(b) In the case of a taxable year beginning before enactment of the amendments made at the 1971 Regular Session of the Legislature, if any taxpayer is required to make a declaration of estimated tax, or to pay any amount or additional amount of estimated tax, by reason of the amendments made at the 1971 Regular Session of the Legislature such amount or additional amounts shall be paid on the due date for the return, as required by Section 18431, without penalty or interest.

SEC. 160. Section 18805 of the Revenue and Taxation Code is repealed.

SEC. 161. Section 18805 is added to the Revenue and

Taxation Code, to read:

18805. (a) The Franchise Tax Board may, by regulation require any person, in whatever capacity acting (including lessees or mortgagors of real or personal property, fiduciaries, employers, and any officer or department of the state or any political subdivision or agency of the state, or any city organized under a freeholder's charter, or any political body not a subdivision or agency of the state) having the control, receipt, custody, disposal, or payment of items of income specified in subdivision (b), to withhold an amount, determined by the Franchise Tax Board to reasonably represent the amount of tax due when such items of income are included with other income of the taxpayer, and to transmit the amount withheld to the Franchise Tax Board at such time as it may designate.

(b) The items of income referred to in subdivision (a) are interest, dividends, rent, prizes and winnings, premiums, annuities, emoluments, compensation for personal services, and other fixed or determinable annual or periodical gains, profits and income.

(c) The Franchise Tax Board may authorize the tax under subdivision (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

SEC. 162. Section 18806 is added to the Revenue and Taxation Code, to read:

18806. (a) Every employer making payment of any wages after December 31, 1971, to a resident employee for services performed either within or without this state, or to a nonresident employee for services performed in this state, shall deduct and withhold from such wages (except as provided in subdivision (f)) for each payroll period, a tax computed in such manner as to produce, so far as practicable, with due regard to the credits for personal exemptions allowable under Section 17054, a sum which is substantially equivalent to the amount of tax reasonably estimated to be due under this part resulting from the inclusion in the gross income of the employee the wages which were subject to withholding. The method of determining the amount to be withheld shall be prescribed by regulations of the Franchise Tax Board.

(b) The Franchise Tax Board upon request may permit the use of accounting machines to calculate the proper amount to be deducted and withheld from such wages; provided, that such calculation produces an amount substantially equivalent to the amount of tax required to be withheld under subdivision (a).

(c) In determining the amount to be deducted and withheld under this section, the wages may, at the election of

the employer, be computed to the nearest dollar.

(d) The Franchise Tax Board may, under regulations prescribed by it, authorize employers to estimate the wages which will be paid to any employee in any quarter of the calendar year, to determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid, and to deduct and withhold upon any payment of wages to such employee, during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon the wages of such employee during such quarter to the amount that would be required to be deducted and withheld during such quarter if the payroll period of the employee was quarterly.

(e) The Franchise Tax Board may provide by regulation, under such conditions and to such extent as it deems proper, for withholding in addition to that otherwise required under this section in cases in which the employer and employee agree to such additional withholding. Such additional withholding shall for all purposes be considered a tax required to be deducted and withheld under this chapter.

(f) (1) In the case of remuneration paid in any medium other than cash for services performed by an individual as a retail salesman for a person where the service performed by such individual for such person is ordinarily performed for remuneration solely by way of cash commission an employer shall not be required to deduct or withhold any tax under this article with respect to such remuneration, provided that such employer files with the Franchise Tax Board such information with respect to such remuneration as the Franchise Tax Board may be regulation prescribe.

(2) An employer shall not be required to deduct and withhold any tax under this part upon a payment of wages (except wages exempt from federal income tax but not exempt under this part) to an employee if there is in effect with respect to such payment a withholding exemption certificate (in such form and containing such other information as the Franchise Tax Board may prescribe) furnished to the employer by the employee certifying that the employee—

(A) Incurred no liability for federal income tax imposed under subtitle A of the Internal Revenue Code of 1954 for his preceding taxable year, and

(B) Anticipates that he will incur no liability for federal income tax imposed under subtitle A of the Internal Revenue Code of 1954 for his current taxable year.

(g) In the case of tips which constitute wages, subdivision (a) shall be applicable only to such tips as are included in a

written statement furnished to the employer pursuant to Section 18824, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to Section 18824 to which paragraph (2) of subdivision (o) of Section 18807 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by employer is less than twenty dollars ($20). Such tax shall not at any time be deducted and withheld in any amount which exceeds the aggregate of such wages and funds.

(h) (1) For purposes of this chapter (and so much of this part as relates to this chapter)—

(A) Any supplemental unemployment compensation benefit paid to an individual, and

(B) Any payment of an annuity to an individual, if at the time the payment is made a request that such annuity be subject to withholding under this chapter is in effect,

shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

(2) (A) For purposes of paragraph (1), the term "supplemental unemployment compensation benefits" means amounts which are paid to an employee, pursuant to a plan to which the employer is a party, because of an employee's involuntary separation from employment (whether or not such separation is temporary), resulting directly from a reduction in force, the discontinuance of a plant or operation, or other similar conditions, but only to the extent such benefits are includable in the employee's gross income.

(B) For purposes of this subdivision, the term "annuity" means any amount paid to an individual as a pension or annuity, but only to the extent that the amount is includable in the gross income of such individual.

(3) A request that an annuity be subject to withholding under this chapter shall be made by the payee in writing to the person making the annuity payments and shall be accompanied by a withholding exemption certificate, executed in accordance with regulations prescribed by the

Franchise Tax Board. Such a request may be terminated by furnishing to the person making the payments a written statement of termination which shall be treated as a withholding exemption certificate. Such a request or termination thereof need not be accepted by the person making the annuity payments unless the payee has also filed a similar request or termination thereof pursuant to the provisions of Section 3402(o) of the Internal Revenue Code of 1954.

(i) The Franchise Tax Board is authorized by regulations to provide for withholding—

(1) From remuneration for services performed by an employee for his employer which (without regard to this subdivision) does not constitute wages, and

(2) From any other type of payment with respect to which the Franchise Tax Board finds that withholding would be appropriate under the provisions of this chapter,

if the employer and the employee, or in the case of any other type of payment the person making and the person receiving the payment, agree to such withholding. Such agreement shall be made in such form and manner as the Franchise Tax Board may by regulations provide. For purposes of this chapter (and so much of this part as relates to this chapter) remuneration or other payments with respect to which such agreement is made shall be treated as if they were wages paid by an employer to an employee to the extent that such remuneration is paid or other payments are made during the period for which the agreement is in effect.

SEC. 163. Section 18807 is added to the Revenue and Taxation Code, to read:

18807. For purposes of this chapter, the term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including all remuneration paid to a nonresident employee for services performed in this state and, the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

(a) For active service as a member of the armed forces of the United States; or

(b) For agricultural labor (as defined in Section 3121(g) of the Internal Revenue Code of 1954); or

(c) For domestic service in a private home, local college club, or local chapter of a college fraternity or sorority; or

(d) For service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is fifty dollars ($50) or more and such service is performed by an individual who is regularly employed by such employer to

perform such service. For purposes of this subdivision, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

(1) On each of some 24 days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business; or

(2) Such individual was regularly employed (as determined under paragraph (1)) by such employer in the performance of such service during the preceding calendar quarter; or

(e) For services by a citizen or resident of the United States for a foreign government or an international organization; or

(f) For such services, performed by a nonresident alien individual, as may be designated by regulations prescribed by the Franchise Tax Board; or

(g) For services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(h) (1) For services performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution; or

(2) For services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back; or

(i) For services not in the course of the employer's trade or business, to the extent paid in any medium other than cash; or

(j) To, or on behalf of, an employee or his beneficiary—

(1) From or to a trust described in Section 17501 which is exempt from tax under Section 17631 at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust; or

(2) Under or to an annuity plan which, at the time of such payment, is a plan described in Section 17511; or

(k) To a master, officer or any other seaman who is a member of a crew on a vessel engaged in foreign, coastwise, intercoastal, interstate, or noncontiguous trade; or

(*l*) Pursuant to any provision of law other than Section 5(c) or 6(*l*) of the Peace Corps Act, for service performed as a volunteer or volunteer leader within the meaning of such act; or

(m) In the form of group-term life insurance on the life of an employee; or

(n) To or on behalf of an employee, and to the extent that, at the time of the payment of such remuneration it is reasonable to believe that a corresponding deduction is allowable under Section 17266; or

(o) (1) As tips in any medium other than cash;

(2) As cash tips to an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is twenty dollars ($20) or more.

SEC. 164. Section 18808 is added to the Revenue and Taxation Code, to read:

18808. (a) For purposes of this chapter, the term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by his employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual or annual payroll period.

(b) If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid. In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1st of such year, whichever is the later. In any case in which the period of time described, or the time prescribed in the preceding sentence, in respect of any wages is less than one week, the Franchise Tax Board, under regulations issued by it, may authorize an employer, in computing the tax required to be deducted and withheld, to use the excess of the aggregate of the wages paid to the employee during the calendar week over the withholding exemption allowed by Section 18806 for a weekly payroll period.

(c) If the remuneration paid by an employer to an employee for services performed during one-half or more of any payroll period of not more than 31 consecutive days

constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such payroll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

SEC. 165. Section 18809 is added to the Revenue and Taxation Code, to read:

18809. For purposes of this chapter, the term "employee" means a resident or a nonresident individual who receives remuneration for services performed within this state and includes an officer, employee, or elected official of the United States, a state, territory, or any political subdivisions thereof, or any agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of a corporation.

SEC. 166. Section 18810 is added to the Revenue and Taxation Code, to read:

18810. (a) For purposes of this chapter, the term "employer" means any individual, person, corporation, association or partnership, or any agent thereof, doing business in this state, deriving income from sources within this state, or in any manner whatsoever subject to the laws of this state, the State of California or any political subdivision or agency thereof, including the Regents of the University of California, any city organized under a freeholders' charter, or any political body not a subdivision or agency of the state and any person, officer, employee, department or agency thereof, making payment of wages to employees for services performed within this state, except as provided in subdivision (b).

(b) If the employer (as defined in subdivision (a)) for whom the employee performs or performed the service does not have control of the payment of wages for such services, the term "employer" (except for purposes of Section 18807) means the person having control of the payment of such wages, whether or not the person having control of the payment of such wages is subject to the jurisdiction of the laws of this state.

SEC. 167. Section 18810.5 is added to the Revenue and Taxation Code, to read:

18810.5. For purposes of Section 18807, the term "wages" includes tips received by an employee in the course of his employment. Such wages shall be deemed to be paid at the time a written statement including such tips is furnished to the employer pursuant to Section 18824 or (if no statement including such tips is so furnished) at the time received.

SEC. 168. Section 18811 is added to the Revenue and

Taxation Code, to read:

18811. (a) An employer shall use the exemption certificate filed by the employee with the employer under the income tax withholding provisions of the United States Internal Revenue Code, for determining the number of withholding exemptions to be allowed in computing the tax required to be deducted and withheld under Section 18806; however, if the employer cannot determine the employee's marital status from the federal exemption certificate the employee shall be considered unmarried.

(b) No withholding exemptions shall be allowed until the employee files a new withholding exemption certificate if the Franchise Tax Board finds that the withholding exemption certificate filed under this chapter or under the Internal Revenue Code does not properly reflect the number of exemptions allowable and so advises the employer in writing.

SEC. 169. Section 18812 is added to the Revenue and Taxation Code, to read:

18812. The number and amount of withholding exemptions allowed shall be based upon the persons claimed in a withholding exemption certificate in effect under Section 18811, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero.

SEC. 170. Section 18813 is added to the Revenue and Taxation Code, to read.

18813. A new withholding exemption certificate filed under the income tax provisions of the Internal Revenue Code in cases in which a previous certificate was in effect shall take effect with respect to the first payment of wages made on or after the first status determination date which occurs at least 30 days from the date on which such certificate is so furnished, except that at the election of the employer such certificate may be made effective with respect to any payment of wages made on or after the date on which such certificate is so furnished. For purposes of this section the term "status determination date" means January 1, May 1, July 1, and October 1 of each year.

SEC. 171. Section 18814 is added to the Revenue and Taxation Code, to read:

18814. If a payment of wages is made to an employee by an employer—

(a) With respect to a payroll period or other period, any part of which is included in a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

(b) Without regard to any payroll period or other period, but on or prior to the expiration of a payroll period or other period with respect to which wages are also paid

to such employee by such employer, or

(c) With respect to a period beginning in one and ending in another calendar year, or

(d) Through an agent, fiduciary, or other person who also has the control, receipt, custody, or disposal of, or pays,

the wages payable by another employer to such employee, the manner of withholding and the amount to be deducted and withheld under this article shall be determined in accordance with regulations prescribed by the Franchise Tax Board under which the withholding exemptions allowed to the employee in any calendar year shall approximate the withholding exemptions allowable with respect to an annual payroll period.

SEC. 172. Section 18806 of the Revenue and Taxation Code is amended and renumbered to read:

18815. (a) The employer shall be liable for the payment of the tax required to be deducted and withheld under Section 18806, and shall not be liable to any person for the amount of such payment.

(b) Every employer or person required to deduct and withhold any tax is hereby made liable for such tax, to the extent provided by this section and, insofar as they are not inconsistent with the provisions of this article, all the provisions of this part relating to penalties, interest, assessment, and collections shall apply to persons or employers subject to the provisions of this part, and for these purposes any amount required to be deducted and paid to the Franchise Tax Board under Sections 18805 and 18806 shall be considered the tax of the employer or person. Any employer or person who fails to withhold from any payments any amount required to be withheld under Section 18805 is liable for the amount withheld or the amount of taxes due from the taxpayer to whom the payments are made but not in excess of the amount required to be withheld, whichever is more, unless it is shown that the failure to withhold is due to reasonable cause.

(c) Whenever any employer or person has withheld any amount pursuant to this article, the amount so withheld shall be held to be a special fund in trust for the State of California.

(d) The amount of tax required to be deducted and withheld under Section 18805 or 18806 shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including penalties) as are applicable with respect to the taxes imposed by this part.

SEC. 173. Section 18816 is added to the Revenue and Taxation Code, to read:

18816. If the employer, in violation of the provisions of this article, fails to deduct and withhold the tax under this article, and thereafter the tax against which such tax may be credited

is paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this section shall in no case relieve the employer from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

SEC. 174. Section 18816.5 is added to the Revenue and Taxation Code, to read:

18816.5. (a) Whenever any employer required to deduct and withhold tax under Section 18805 or 18806 sells, transfers, dissolves, withdraws, terminates or otherwise disposes of the business or a substantial portion of its assets, the successors (including assigns, purchasers, heirs, distributees, beneficiaries or other persons acquiring either a substantial portion of the assets or the business) shall withhold in trust a sufficient part of the purchase price or set aside in trust money or property to cover the amount of the taxes required to be withheld and any interest or penalties with respect thereto which are due or unpaid by the employer. The money, property or portion of the purchase price shall be held in trust until a certificate is issued by the Franchise Tax Board stating that no amount of such tax, interest or penalties are due or unpaid from the employer.

(b) Upon written request by the successor, the Franchise Tax Board shall, within 60 days, issue a certificate or a statement showing the amount of tax, interest and penalty due from the employer. Except as provided in subdivision (c), failure to issue a certificate or statement within the 60-day period shall be deemed equivalent to the issuance of a certificate stating that no tax, interest or penalties are due. If the Franchise Tax Board issues a statement showing that taxes, interest and penalties are claimed to be due, the amount stated therein (not in excess of the fair market value of the assets or business acquired) shall be paid by the successor to the Franchise Tax Board within (1) 30 days after the statement is mailed or delivered to the successor or (2) on the day the business or assets are acquired, whichever is the latest event. If a request for a certificate is not made by the successor, the amount of tax, interest or penalties due or unpaid by the employer shall be paid by the successor to the Franchise Tax Board on the day the business or assets are acquired. If a successor fails to pay the amount required by this section by the time prescribed in this subdivision, a penalty of 10 percent of the amount payable shall be levied.

(c) The issuance of a certificate stating that no taxes, interest and penalties are due, or the failure to issue such certificate or statement within the period of 60 days shall not release the employer from liability on account of any taxes, interest, and penalties then or thereafter determined to be due from him, but shall release the successor from any further

liability on account of any such taxes, interest and penalties. Payment by the successor pursuant to subdivision (b) shall not release the employer from liability except to the extent of the amount paid by the successor.

(d) Any successor that fails to withhold money or other property or fails to pay the amount or value of the property withheld as provided in this section shall be personally liable for the payment of the taxes, interest and penalties due from the employer up to but not exceeding the fair market value of the assets or business acquired. The Franchise Tax Board shall have all of the remedies for collection against any successor that acquires the business or substantially all the assets thereof of an employer as provided by this part against any employer liable for taxes, interest and penalties. The time within which the obligation may be enforced against the successor acquiring the business or substantially all the assets thereof of an employer shall commence from (1) the date the successor acquires the assets or business, (2) the date on assessment against the successor employer becomes final, or (3) 31 days after the statement is mailed or delivered to the successor if a certificate is requested by the successor as provided in subdivision (b), whichever of the three events is later.

SEC. 175. Section 18807 of the Revenue and Taxation Code is amended and renumbered to read:

18817. The Franchise Tax Board may by notice, served personally or by registered mail, require any employer, person, officer or department of the state, political subdivision or agency of the state, including the Regents of the University of California, a city organized under a freeholders' charter, or a political body not a subdivision or agency of the state, having in their possession, or under their control, any credits or other personal property or other things of value, belonging to a taxpayer or to an employer or person who has failed to withhold and transmit amounts due pursuant to Section 18815 or 18818, to withhold, from such credits or other personal property or other things of value, the amount of any tax, interest, or penalties due from the taxpayer or the amount of any liability incurred by such employer or person for failure to withhold and transmit amounts due from a taxpayer under this part and to transmit the amount withheld to the Franchise Tax Board at such times as it may designate.

SEC. 176. Section 18808 of the Revenue and Taxation Code is amended and renumbered to read:

18818. Any employer or person failing to withhold the amount due from any taxpayer and to transmit the same to the Franchise Tax Board after service of a notice pursuant to Section 18817 is liable for such amounts.

SEC. 177. Section 18809 of the Revenue and Taxation

Code is amended and renumbered to read:

18819. Any employer or person required to withhold and transmit any amount pursuant to this article shall comply with the requirement without resort to any legal or equitable action in a court of law or equity. Any employer or person paying to the Franchise Tax Board any amount required by it to be withheld is not liable therefor to the person from whom withheld unless the amount withheld is refunded to the withholding agent.

SEC. 178. Section 18810 of the Revenue and Taxation Code is amended and renumbered to read:

18820. Any taxpayer from whom a tax is collected by withholding under this article is entitled to the remedies set forth in Articles 1 (commencing with Section 19051) and 2 (commencing with Section 19081) of Chapter 20 of this part.

SEC. 179. Section 18811 of the Revenue and Taxation Code is amended and renumbered to read:

18821. Whenever, under any provision of this article, service is authorized upon the state of any notice to withhold, unless expressly exempted from the provisions of this section, such service to be effective must, in addition to any other requirements, be made on the state agency owing the obligation prior to the time such agency presents the claim for payment thereof to the State Controller.

SEC. 180. Section 18822 is added to the Revenue and Taxation Code, to read:

18822. If the employer is the United States, or this state, or political subdivision thereof, including the Regents of the University of California a city organized under a freeholders' charter, or any agency or instrumentality of any one or more of the foregoing, the return of the amount deducted and withheld upon any wages may be made by any officer or employee of the United States, or of such state, city organized under a freeholders' charter, or political subdivision, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose.

SEC. 181. Section 18823 is added to the Revenue and Taxation Code, to read:

18823. (a) Every employer or person required to deduct and withhold from an employee a tax under Section 18806, or who would have been required to deduct and withhold a tax under Section 18806 (determined without regard to paragraph (1) of subdivision (f)) if the employee had claimed no more than one withholding exemption, shall furnish to each such employee in respect of the remuneration paid by such person to such employee during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar

year, on the day on which the last payment of remuneration is made, a written statement showing the following:

(1) The name of such person;

(2) The name of the employee (and his social security or identifying number if wages as defined in Section 18807 have been paid);

(3) The total amount of wages as defined in Section 18807; and

(4) The total amount deducted and withheld as tax under Section 18806.

In the case of tips received by an employee in the course of his employment, the amounts required to be shown by paragraph (3) shall include only such tips as are included in statements furnished to the employer pursuant to Section 18824.

(b) The statement required to be furnished pursuant to this section in respect of any remuneration shall be furnished at such other times, shall contain such other information, and shall be in such form as the Franchise Tax Board may by regulations prescribe.

(c) A duplicate of any statement made pursuant to this section and in accordance with regulations prescribed by the Franchise Tax Board shall, when required by such regulations be filed with the Franchise Tax Board.

(d) Every employer shall make an annual return on forms prescribed by the Franchise Tax Board, summarizing the total compensation paid and the tax withheld for each employee during the calendar year, which shall be filed on or before January 31 of the year following that for which the report is made.

SEC. 182. Section 18824 is added to the Revenue and Taxation Code, to read:

18824. Every employee who, in the course of his employment by an employer, receives in any calendar month tips which are wages (as defined in Section 18807) shall report all such tips in one or more written statements furnished to his employer on or before the 10th day following such month. Such statements shall be furnished by the employee under such regulations, at such other times before such 10th day, and in such form and manner as may be prescribed by the Franchise Tax Board.

SEC. 183. Section 18825 is added to the Revenue and Taxation Code, to read:

18825. (a) For purposes of Sections 18805, 18806, and 18815, if a lender, surety, or other person, who is not an employer under such sections with respect to an employee or group of employees, pays wages directly to such an employee or group of employees, employed by one or more employers, or to an agent on behalf of such employee or employees, such

lender, surety, or other person shall be liable in his own person and estate to the State of California in a sum equal to the taxes (together with interest) required to be deducted and withheld from such wages by such employer.

(b) If a lender, surety, or other person supplies funds to or for the account of an employer for the specific purpose of paying wages of the employees of such employer, with actual notice or knowledge that such employer does not intend to or will not be able to make timely payment or deposit of the amounts of tax required by this part to be deducted and withheld by such employer from such wages, such lender, surety, or other person shall be liable in his own person and estate to the State of California in a sum equal to the taxes (together with interest) which are not paid over to the State of California by such employer with respect to such wages. However, the liability of such lender, surety, or other person shall be limited to an amount equal to 25 percent of the amount so supplied to or for the account of such employer for such purpose.

(c) Any amounts paid to the State of California pursuant to this section shall be credited against the liability of the employer.

SEC. 184. Section 18826 is added to the Revenue and Taxation Code, to read:

18826. (a) If the Franchise Tax Board delegates its powers and duties as provided in Section 15702.1 of the Government Code, the following provisions of the Unemployment Insurance Code shall apply to any amount required to be deducted and paid to the Franchise Tax Board under Section 18806 of this code:

(1) Sections 1110.6, 1112, 1113, 1113.1, 1115, and 1116, relating to the payment of reported contributions.

(2) Article 8 (commencing with Section 1126) of Chapter 4, Part 1, Division 1, relating to assessments.

(3) Article 9 (commencing with Section 1176), except Section 1176, of Chapter 4, Part 1, Division 1, relating to refunds and overpayments.

(4) Sections 403 to 411, inclusive, Section 1336, and Chapter 8 (commencing with Section 1951) of Part 1, Division 1, relating to appeals and hearing procedures.

(5) Chapter 7 (commencing with Section 1701) of Part 1, Division 1, relating to collections.

(b) If the Franchise Tax Board delegates its powers and duties as provided in Section 15702.1 of the Government Code, the following provisions of this code shall not apply to any amount required to be deducted and paid to the Franchise Tax Board under Section 18806 of this code:

(1) Subdivision (d) of Section 18491, relating to employer reporting,

(2) Section 18492, relating to deposits in banks of unpaid taxes,

(3) Sections 18685.1, 18685.2 and 19413, relating to penalties,

(4) Subdivisions (b) and (d) of Section 18815, relating to employer liability, and Section 18816.5, relating to successor liability,

(5) Section 19063, relating to overpayments.

SEC. 185. Section 18934 is added to the Revenue and Taxation Code, to read:

18934. (a) When required by regulations prescribed by the Franchise Tax Board:

(1) Any person or employer required under the authority of this part to make a return, statement, or other document shall include in such return, statement, or other document such identifying number as may be prescribed for securing proper identification of such person.

(2) Any person with respect to whom a return, statement, or other document is required under the authority of this part to be made by another person shall furnish to such other person such identifying number as may be prescribed for securing his proper identification.

(3) Any person or employer required under the authority of this part to make a return, statement, or other document with respect to another person shall request from such other person, and shall include in any such return, statement, or other document, such identifying number as may be prescribed for securing proper identification of such other person.

(b) (1) Except as provided in paragraph (2), a return of any person with respect to his liability for tax, or any statement or other document in support thereof, shall not be considered for purposes of paragraphs (2) and (3) of subdivision (a) as a return, statement, or other document with respect to another person.

(2) For purposes of paragraphs (2) and (3) of subdivision (a), a return of an estate or trust with respect to its liability for tax, and any statement or other document in support thereof, shall be considered as a return, statement, or other document with respect to each beneficiary of such estate or trust.

(c) For purposes of this section, the Franchise Tax Board is authorized to require such information as may be necessary to assign an identifying number to any person.

SEC. 186. Section 18936 is added to the Revenue and Taxation Code, to read:

18936. The Franchise Tax Board may, in the allowance of any amount as a credit or refund, or in the collection of any amount as a deficiency or underpayment, of any tax imposed

by this part, disregard a fractional part of a dollar unless it amounts to fifty cents ($0.50) or more, in which case it may be increased to one dollar ($1).

SEC. 187. Section 19052 of the Revenue and Taxation Code is amended to read:

19052. (a) Except as provided in subdivision (b), if the Franchise Tax Board determines that the taxpayer paid an amount not required to be paid under this part, the Franchise Tax Board without obtaining the approval of the State Board of Control, shall set forth that fact in its records and may either credit the amount on any amounts then due and payable under this part from the taxpayer by whom the amount was paid or refund the amount or the balance to the taxpayer or his successors, administrators, or executors.

(b) No refund exceeding one thousand dollars ($1,000) shall be allowed or made until approved by the State Board of Control. Notwithstanding the preceding sentence, State Board of Control approval shall not be required with respect to a refund resulting either from withholding, or the payment of estimated tax, or prepayment of taxes during and for the taxable year.

SEC. 188. Section 19053 of the Revenue and Taxation Code is amended to read:

19053. No credit or refund shall be allowed or made after four years from the last day prescribed for filing the return or after one year from the date of the overpayment, whichever period expires the later, unless before the expiration of the period a claim therefor is filed by the taxpayer, or unless before the expiration of such period the Franchise Tax Board allows a credit, makes a refund, issues a notice of proposed overpayment, or certifies such overpayment to the State Board of Control for approval of the refunding thereof.

SEC. 189. Section 19053.1 of the Revenue and Taxation Code is repealed.

SEC. 190. Section 19053.1 is added to the Revenue and Taxation Code, to read:

19053.1. For purposes of Section 19053, a return filed within four years from the last day prescribed for filing the return showing a credit for (a) tax withheld under Sections 18805 and 18806 or (b) estimated tax paid under Section 18556 in excess of the tax due, shall be considered a claim for refund of such excess if the amount thereof is more than one dollar ($1). No refund of tax withheld or estimated tax paid shall be allowed to an employee or taxpayer who fails to file a return for the taxable year in respect of which the tax withheld or estimated tax was allowable as a credit.

SEC. 191. Section 19053.9 of the Revenue and Taxation Code is amended to read:

19053.9. Notwithstanding any statute of limitations

provided in this part, any overpayment due a taxpayer for any year which results from a transfer of items of income or deductions or both to or from another year for the same taxpayer, or for the same year for a related taxpayer described in Section 18691.1, shall be allowed as an offset in computing any deficiency in tax for any other year resulting from the transfer of such income or deductions or both, but no refund shall be allowed unless before the expiration of the period set forth in Section 19053 a claim therefor is filed by the taxpayer or unless before the expiration of such period the Franchise Tax Board has allowed a credit, made a refund or certified the overpayment to the State Board of Control for approval of the refunding thereof.

The offset provided herein, however, shall not be allowed after the expiration of seven years from the due date of the return on which the overpayment is determined.

SEC. 192. Section 19062.12 is added to the Revenue and Taxation Code, to read:

19062.12. If the amount allowable as a credit under Section 18551.1 (relating to credit for tax withheld) exceeds the tax imposed by this part, against which such credit is allowable, the amount of such excess shall be considered an overpayment.

SEC. 193. Section 19062.13 is added to the Revenue and Taxation Code, to read:

19062.13. Any action of the Franchise Tax Board in refunding the excess of tax withheld under Sections 18805 and 18806 or estimated tax paid under Section 18556 shall not constitute a determination of the correctness of the return of the taxpayer for purposes of this part.

SEC. 194. Section 19062.14 of the Revenue and Taxation Code is repealed.

SEC. 195. Section 19063 is added to the Revenue and Taxation Code, to read:

19063. In the case of an overpayment of tax imposed by Section 18805 or Section 18806, refund or credit shall be made to the employer or to the withholding agent, as the case may be, only to the extent that the amount of such overpayment was not deducted and withheld by the employer or withholding agent. No interest shall be allowed on such overpayment.

SEC. 196. Section 19064 is added to the Revenue and Taxation Code, to read:

19064. The Franchise Tax Board is authorized to prescribe regulations providing for the crediting against the estimated income tax for any taxable year of the amount determined by the taxpayer or the Franchise Tax Board to be an overpayment of the income tax for a preceding taxable year.

SEC. 197. Section 19082.1 is added to the Revenue and

Taxation Code, to read:

19082.1. The credit of an overpayment of any tax in satisfaction of any tax liability shall, for the purpose of any suit for refund of such tax liability so satisfied, be deemed to be a payment in respect of such tax liability at the time such credit is allowed.

SEC. 198. Section 19268 of the Revenue and Taxation Code is amended to read:

19268. The Franchise Tax Board shall transmit to the Director of the Department of Human Resources Development claims for credit or refund allowed pursuant to Section 17061 of this code and subdivision (a) of Section 1176.5 of the Unemployment Insurance Code.

SEC. 199. Section 19290 is added to the Revenue and Taxation Code, to read:

19290. For purposes of this article, a declaration of estimated tax shall be held and considered a return under this part.

SEC. 200. Section 19354 of the Revenue and Taxation Code is amended to read:

19354. The balance of the moneys in the Personal Income Tax Fund shall, upon order of the Controller, be drawn therefrom for the purpose of making refunds under this part or be transferred to the General Fund. All undelivered refund warrants shall be redeposited in the Personal Income Tax Fund upon receipt by the Controller.

SEC. 201. Section 19355.1 of the Revenue and Taxation Code is amended to read:

19355.1. For purposes of accounting, amounts received pursuant to this part shall be treated as earned by the state during the year of receipt.

SEC. 202. Section 19410 is added to the Revenue and Taxation Code, to read:

19410. In lieu of any other penalty provided by law (except the penalty provided by Section 18685.3) any person or employer required under the provisions of Section 18823 to furnish a statement who willfully furnishes a false or fraudulent statement or who willfully fails to furnish a statement in the manner, at the time, and showing the information required under Section 18823, or regulations prescribed thereunder, shall, for each such offense, upon conviction thereof, be fined not more than one thousand dollars ($1,000), or imprisoned not more than one year, or both.

SEC. 203. Section 19411 is added to the Revenue and Taxation Code, to read:

19411. Any individual required to supply information to his employer under Sections 18811 to 18813, inclusive, who willfully supplies false or fraudulent information, or who

willfully fails to supply information thereunder which would require an increase in the tax to be withheld under Section 18806, shall, in lieu of any penalty otherwise provided, upon conviction thereof, be fined not more than five hundred dollars ($500).

SEC. 204. Section 19413 is added to the Revenue and Taxation Code, to read:

19413. (a) Any person or employer who fails to comply with any provision of subdivision (b) of Section 18492 shall, in addition to any other penalties provided by law, be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than five thousand dollars ($5,000), or imprisoned not more than one year, or both, together with the costs of prosecution.

(b) This section shall not apply—

(1) To any person or employer, if such person or employer shows that there was reasonable doubt as to (A) whether the law required collection of the tax, or (B) who was required by law to collect the tax, and

(2) To any person or employer, if such person or employer shows that the failure to comply with the provisions of subdivision (b) of Section 18492 was due to circumstances beyond his control.

For purposes of paragraph (2), a lack of funds existing immediately after the payment of wages (whether or not created by the payment of such wages) shall not be considered to be circumstances beyond the control of a person or employer.

SEC. 204.1. Section 19501 is added to the Revenue and Taxation Code, to read:

19501. This part shall be known and may be cited as the Gonsalves-Deukmejian-Petris Act.

SEC. 204.15. Section 19501 of the Revenue and Taxation Code is amended and renumbered to read:

19501.5. "Income" means the sum of adjusted gross income as used for purposes of the California Personal Income Tax Law, including items of income which would otherwise be excluded by Article 3 (commencing with Section 17131) of Chapter 3 of Part 10 of this division (other than transfers by gift or inheritance between members of the household), net income from sources outside the state, alimony, support money, cash public assistance and relief, the gross amount of any pensions or annuities including railroad retirement benefits, all benefits received under the Federal Social Security Act (except Medicare benefits received under Title XVIII), all benefits received under state unemployment insurance laws and veterans disability payments, all interest received from the federal government or any of its instrumentalities, all interest received from the State of

California or any of its political subdivisions, realized capital gains, workmen's compensation and the gross amount of loss of time insurance benefits, life insurance benefits, life insurance proceeds, and gifts of cash or property (other than transfers by gift between members of the household) in excess of a value of three hundred dollars ($300). It does not include surplus food or other relief in kind supplied by a governmental agency or assistance received under this part. Total income shall be determined for the calendar year (or approved fiscal year ending within such calendar year) which ends within the fiscal year for which the property taxes have been assessed.

SEC. 204.17. Section 19505 of the Revenue and Taxation Code is amended to read:

19505. "Claimant" means an individual who has filed a claim under this part, was a member of the household, and was both a resident of this state (as defined in Section 17014) and 62 years of age or older on or before the first day of January preceding the end of the fiscal year for which a claim for assistance is filed under Article 3 (commencing with Section 19531) of this part.

SEC. 204.2. Section 19506 of the Revenue and Taxation Code is amended to read:

19506. "Property tax" shall mean only those taxes paid currently which are levied for fiscal years ending on or after June 30, 1968. Included taxes are those amounts which, if unpaid, are delinquent on December 10 and April 10 of fiscal years ended on the succeeding June 30.

When a homestead is owned by two or more individuals as joint tenants or tenants in common and one or more of such persons is not a member of the claimant's household, the term "property tax" shall include only that part of the taxes levied which reflects the ownership of the claimant and other members of the household.

The property tax proration required by the preceding sentence shall not apply to the extent of the ownership interest of the claimant and one or more of the following:

(a) The claimant's spouse.

(b) The parents, children (natural or adopted), or grandchildren of either the claimant or the claimant's spouse, or

(c) The spouse of any person enumerated in subdivision (b) of this section.

SEC. 204.3. Section 19507 of the Revenue and Taxation Code is amended to read:

19507. "Property taxes accrued" means current property taxes (exclusive of interest, penalties, principal payments on improvement bonds and charges for service) levied against a claimant's homestead by any taxing agency (as defined in

Section 121) for any fiscal year ending on or after June 30, 1968.

"Property taxes accrued" for the fiscal year ending June 30, 1969, shall be reduced for amounts claimed and received, or receivable, pursuant to the authorization contained in Section 1d of Article XIII of the Constitution.

When a claimant and his household own their homestead for only part of a year and rent the same or a different homestead for part of the same year, "property taxes accrued" means taxes levied against the homestead when both owned and occupied as such by claimant and his household, multiplied by the percentage of 12 months that such property was owned and occupied by such household as its homestead in such year. Whenever a homestead is an integral part of a large unit such as a farm, or a multipurpose or multidwelling building, "property taxes accrued" shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. Where a claimant or member of the household is purchasing property under an unrecorded contract of sale, the Franchise Tax Board may require an affidavit under penalty of perjury stating the following:

(a) That he purchased the real property pursuant to such unrecorded contract of sale.

(b) That under such unrecorded contract of sale he is obligated and responsible for the payment of the taxes.

Where the premises are occupied by reason of the claimant's ownership of a dwelling on land owned by a nonprofit incorporated association, the Franchise Tax Board may require an affidavit under penalty of perjury stating any of the following:

(a) That the premises are occupied by reason of ownership of a dwelling on land owned by a nonprofit incorporated association, of which the claimant is a member.

(b) The nonprofit incorporated association requires that the claimant pay a pro rata share of the property tax levied against the association's land.

Where the premises are occupied by reason of the claimant's possessory interest in such premises, the Franchise Tax Board may require an affidavit under penalty of perjury stating any of the following:

(a) That the premises are occupied by reason of ownership of a possessory interest in a dwelling that is otherwise exempt from property taxation.

(b) That the claimant has paid the property tax levied on the possessory interest.

The Franchise Tax Board shall by regulation determine the amount of "property taxes accrued" when a household owns two or more homesteads during the same year.

SEC. 204.4. Section 19522 of the Revenue and Taxation Code is amended to read:

19522. (a) If the amount of assistance exceeds five dollars ($5), the Franchise Tax Board, pursuant to the provisions of Article 3 (commencing with Section 19531) of this part, shall provide assistance to the claimant based on a percentage of the property tax accrued and paid by the claimant on his homestead as provided in Section 19523. Such assistance shall be equal to the applicable percentage of property taxes paid on the assessed value of the property up to and including seven thousand five hundred dollars ($7,500). No assistance shall be allowed for property taxes paid on that portion of assessed value of a homestead exceeding seven thousand five hundred dollars ($7,500). No assistance shall be provided if the amount of the assistance claim is five dollars ($5) or less.

(b) For purposes of allowing assistance provided for by this section:

(1) Only one claimant from one household each year shall be entitled to assistance under this part. When two or more individuals of a household are able to meet the qualifications for a claimant, they may determine who the claimant shall be. If they are unable to agree, the matter shall be referred to the Franchise Tax Board and its decision shall be final.

(2) The right to file a claim shall be personal to the claimant and shall not survive his death; however, when a claimant dies after having filed a timely claim, the amount thereof may be disbursed to the surviving spouse and if no surviving spouse, to any other member of the household who is a qualified claimant. If there is no surviving spouse or otherwise qualified claimant, the claim shall be canceled.

SEC. 205. Section 19523 of the Revenue and Taxation Code is amended to read:

19523. The amount of assistance shall be based on claimant's household income for the period set forth in Section 19501. The percentage of assistance for which each claimant shall be eligible shall be based on the following scale:

If the total household income (as defined in this part) is not more than	The percentage of tax on the first $7,500 of value (as determined for tax purposes) used to provide assistance is:
$1,000	96%
1,500	92
2,000	92
2,500	88
3,000	80
3,500	70
4,000	60
4,500	52

5,000	45
5,500	38
6,000	32
6,500	26
7,000	21
7,500	16
8,000	12
8,500	8
9,000	6
9,500	5
10,000	4

SEC. 205.1. Section 19526 of the Revenue and Taxation Code is amended to read:

19526. Notwithstanding the definition of income set forth in Section 19501.5, no assistance shall be allowed for property taxes accrued and paid if the gross household income from all sources for the periods set forth in Section 19501 is twenty thousand dollars ($20,000) or more; provided, however, that in the case of a person whose principal trade or business is farming, such amount is thirty thousand dollars ($30,000) or more.

SEC. 205.2. Section 19531 of the Revenue and Taxation Code is amended to read:

19531. Each claimant applying for assistance under Article 2 (commencing with Section 19521) of this part shall file a claim under penalty of perjury with the Franchise Tax Board on a form supplied by such board. The claim shall contain:

(a) Evidence acceptable to the Franchise Tax Board that the claimant was a resident of California and 62 years of age or older on or before the first day of January preceding the end of the fiscal year for which the claim is filed.

(b) A statement showing the household income for the period set forth in Section 19501.

(c) A statement describing the property on which the claim is based and showing at least the assessed value of the homestead; the size and nature of the homestead; together with the tax bill. No interest shall be allowed on any payment made to any claimant pursuant to this part.

If a claimant submits a statement containing the essential data set forth in this section under penalty of perjury within the period set forth in Section 19532, the Franchise Tax Board shall compute the amount of assistance and authorize payment. The amount of any assistance otherwise payable under this part may be applied by the Franchise Tax Board against any liability due from the claimant under any law administered by the Franchise Tax Board.

SEC. 205.3. Section 19532 of the Revenue and Taxation Code is amended to read:

19532. (a) The claim on which the assistance is based shall be filed after May 15 of the fiscal year for which assistance is claimed but on or before October 15 succeeding the fiscal year for which assistance is claimed.

(b) The state shall assist the claimant after June 30 and before November 30 of the calendar year in which the claim is filed, except that if the claim is defective, assistance shall be made as promptly as is practicable after the claim has been perfected. The Franchise Tax Board, whenever in its judgment good cause exists, may grant a reasonable extension of time for filing a claim. The extension must be requested before the end of the filing period. No extension or extensions shall aggregate more than six months from the due date provided for filing the claim, and no extension shall be granted for the due date provided in subdivision (c). The first claim filed shall include proof of the claimant's age, acceptable to the Franchise Tax Board.

(c) A claimant who, because of a medically certified incapacity, is prevented from filing a timely claim, shall be permitted to file a claim within six months after the end of his medical incapacity or three (3) years succeeding the end of fiscal year for which assistance is claimed, whichever date is earlier.

SEC. 205.4. Section 19539 of the Revenue and Taxation Code is amended to read:

19539. Claimants who fraudulently claim the assistance allowed under this part are subject to a fine of up to five hundred dollars ($500), or 30 days in jail, or both. The place of trial for any violation of this section shall be in the county of residence of the claimant at the time the offense was committed.

SEC. 205.5. Section 19541 is added to the Revenue and Taxation Code, to read:

19541. Unless otherwise specifically provided the provisions of any law effecting changes in this part shall be applied with respect to claims filed for property tax assistance for fiscal years beginning after enactment.

SEC. 206. Section 23036 of the Revenue and Taxation Code is amended to read:

23036. "Tax" means the taxes imposed under Chapter 2 (commencing with Section 23101) or Chapter 3 (commencing with Section 23501) of this part. For purposes of Chapter 20 (commencing with Section 25661), Chapter 21 (commencing with Section 25901), and Chapter 23 (commencing with Section 26131) of this part and for purposes of Sections 25401, 25551, and 25555, "tax" shall also mean the minimum tax on items of tax preference imposed under Chapter 2.5 (commencing with Section 23400) of this part.

SEC. 207. Section 23037 of the Revenue and Taxation Code is amended to read:

23037. "Taxpayer" means any person or bank subject to the tax imposed under Chapter 2, Chapter 2.5 or Chapter 3 of this part.

SEC. 208. Section 23038 of the Revenue and Taxation Code is amended to read:

23038. "Corporation" includes every corporation except:

(a) Banks

(b) Corporations expressly exempt from the tax by this part or the Constitution of this state.

For the purposes of the tax imposed under Chapter 3, "corporation" also includes associations (including nonprofit associations that perform services, borrow money or own property), other than banking associations, and Massachusetts or business trusts. For the purposes of this part, a Massachusetts or business trust includes every business organization consisting essentially of an arrangement whereby property is conveyed to one, or more than one, trustee for purposes other than the mere conservation of assets, collecting and disbursing of fixed or periodic income, or the securing of an obligation.

"Corporation" includes any "corporation" operated by any receiver, liquidator, referee, trustee or other officers or agents appointed by any court, or an assignee for the benefit of creditors.

"Corporation" includes any professional corporation incorporated pursuant to Part 4 (commencing with Section 13400) of Division 3 of Title 1 of the Corporations Code.

Notwithstanding the above, "corporation" also includes a trust organized and operated exclusively for purposes contained in Section 23701d.

SEC. 209. Section 23041 of the Revenue and Taxation Code is amended to read:

23041. "Taxable year" means:

(a) For the purposes of the tax imposed under Chapter 2 (commencing with Section 23101) of this part, the calendar year, or the fiscal year for which the tax is payable.

(b) For the purposes of the tax imposed under Chapter 3 (commencing with Section 23501) or Chapter 4 (commencing with Section 23701) of this part, the calendar year or the fiscal year upon the basis of which the net income is computed.

(c) For purposes of the tax imposed under Chapter 2.5 (commencing with Section 23400) of this part, (1) in the case of a taxpayer subject to the tax imposed under Chapter 2 (commencing with Section 23101) of this part, the calendar year or the fiscal year for which the tax is payable and (2) in the case of a taxpayer subject to the tax imposed under

Chapter 3 (commencing with Section 23501) or Chapter 4 (commencing with Section 23701) of this part, the calendar or fiscal year upon the basis of which the net income is computed.

(d) For the purpose of the taxes imposed under this part, a period of 12 months or less.

SEC. 210. Section 23042 of the Revenue and Taxation Code is amended to read:

23042. "Income year" means:

(a) For the purposes of the tax imposed under Chapter 2 (commencing with Section 23101) of this part, the calendar year or the fiscal year upon the basis of which the net income is computed. "Income year" means, for the purposes of the tax imposed under Chapter 2 (commencing with Section 23101) of this part, in the case of a return made for a fractional part of a year, the period for which such return is made.

(b) For the purposes of the tax imposed under Chapter 3 (commencing with Section 23501) or Chapter 4 (commencing with Section 23701) of this part, wherever "income year" is used throughout this part, it means "taxable year" as that term is defined in Section 23041 for the purposes of the tax imposed under Chapter 3 (commencing with Section 23501) or Chapter 4 (commencing with Section 23701) of this part.

(c) For purposes of the minimum tax on items of tax preference imposed under Chapter 2.5 (commencing with Section 23400) of this part, the same as defined in subdivision (a) with respect to a taxpayer subject to the tax imposed under Chapter 2 (commencing with Section 23101) of this part and the same as defined in subdivision (b) with respect to a taxpayer subject to the tax imposed under Chapter 3 (commencing with Section 23401) or Chapter 4 (commencing with Section 23701) of this part.

SEC. 211. Section 23151 of the Revenue and Taxation Code is amended to read:

23151. (a) With the exception of financial corporations, every corporation doing business within the limits of this state and not expressly exempted from taxation by the provisions of the Constitution of this state or by this part, shall annually pay to the state, for the privilege of exercising its corporate franchises within this state, a tax according to or measured by its net income, to be computed at the rate of 7 percent upon the basis of its net income for the next preceding income year. In any event, each such corporation shall pay annually to the state, for the said privilege, a minimum tax of one hundred dollars ($100).

(b) For calendar or fiscal years ending after December 31, 1971, the rate of tax shall be 7.6 percent instead of 7 percent as provided by subdivision (a).

(c) For income years beginning after December 31, 1971, the one hundred dollars ($100) specified in subdivision (a) shall be two hundred dollars ($200) instead of one hundred dollars ($100).

SEC. 211.1. Section 23153 of the Revenue and Taxation Code is amended to read:

23153. (a) Every corporation not otherwise taxed under this chapter and not expressly exempted by the provisions of this part or the Constitution of this state shall pay annually to the state a tax of one hundred dollars ($100), except that the following corporations shall pay annually to the state a tax of twenty-five dollars ($25):

(1) A credit union not otherwise taxed under this chapter whose gross income is twenty thousand dollars ($20,000) or less.

(2) A corporation formed under the laws of this state whose principal business when formed was gold mining, which is inactive and has not done business within the limits of the state since 1950.

Every such domestic corporation taxable under this section shall be subject to the said tax from the date of incorporation until the effective date of dissolution as provided in Section 23331.

For the purpose of paragraph (b) a corporation shall not be considered to have done business if it engages in incidental activities, other than mining.

(b) For income years beginning after December 31, 1971, the one hundred dollars ($100) specified in subdivision (a) shall be two hundred dollars ($200) instead of one hundred dollars ($100).

SEC. 212. Section 23184 of the Revenue and Taxation Code is amended to read:

23184. (a) Financial corporations may offset against the franchise tax the amounts paid during the income year to this state or to any county, city, town, or other political subdivisions of the state as personal property taxes, or as license fees or excise taxes for the following privileges:

(1) Operating as personal property brokers or brokers as defined in the Personal Property Brokers Law provided for in Division 9 (commencing with Section 22000) of the Financial Code.

(2) Operating motor vehicles under Part 5 (commencing with Section 10701) of this division or Article 2 (commencing with Section 9250) of Chapter 6 of Division 3 of the Vehicle Code, except for Section 9265.

(3) Engaging in the business of loaning money, advancing credit, or loaning credit or arranging for the loan of money or advancing of credit or loaning of credit.

(4) Storing, using or otherwise consuming in this state of

tangible personal property by savings and loan associations.

(b) The offset allowed to any financial corporation for any income year as provided in this section may, at the election of that financial corporation, be offset, in whole or in part, against its franchise tax for that income year or offset in whole or in part against its franchise tax in one or more of the next four succeeding years of its selection, until such time as the total amount of such offset is so utilized; provided, however, that for such purposes, offsets elected to be utilized against the franchise tax of a succeeding year shall be applied in the order of their respective years of origin and prior to the application of the offset which might otherwise be allowable for amounts paid during that income year.

(c) Notwithstanding anything to the contrary contained in this section, the tax on financial corporations after the allowance of all offsets provided for herein shall not be less than 7 percent of its net income for the preceding income year nor less than the following minimum tax:

(1) In the case of financial corporations, other than credit unions whose gross income is twenty thousand dollars ($20,000) or less, one hundred dollars ($100).

(2) In the case of credit unions whose gross income is twenty thousand dollars ($20,000) or less, twenty-five dollars ($25).

(d) For purposes of this section, with respect to calendar or fiscal years ending after December 31, 1971, the tax on financial corporations after the allowance of all offsets shall not be less than 7.6 percent of its net income nor less than the minimum tax as provided by subdivision (c).

(e) For income years beginning after December 31, 1971, the one hundred dollars ($100) specified in paragraph (1) of subdivision (c) shall be two hundred dollars ($200) instead of one hundred dollars ($100).

SEC. 213. Section 23186 of the Revenue and Taxation Code is amended to read:

23186. (a) The rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this state, of every corporation taxable under Section 23151, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this state as franchise taxes according to or measured by such net income, and required to be paid to this state or its political subdivisions by such corporations as personal property taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 11 percent. The percentage of the net income of every corporation taxable under Section 23151, other than public

utilities as defined in the Public Utilities Act, required to be paid to this state or its political subdivisions in personal property taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes, less 7 percent thereof, bears to the total amount of net income of such corporations allocable to California, increased by the amount of such personal property taxes; provided, however, that if any such corporation sustains a net loss allocable to California the personal property taxes required to be paid by such corporation to this state or its political subdivisions during the preceding calendar year or fiscal years ended during such calendar year shall be considered for the purpose of determining such ratio only to the extent which such personal property taxes exceed such net loss allocable to California.

(b) For calendar or fiscal years ending after December 31, 1971 and on or before December 31, 1973, the 11 percent provided in the first sentence of subdivision (a) shall be 11.6 percent and the 7 percent provided in the second sentence shall be 7.6 percent.

SEC. 213.1. Section 23201 of the Revenue and Taxation Code is amended to read:

23201. (a) In the case of a taxpayer whose tax for the first taxable year was computed under Sections 23222 to 23224, inclusive (or corresponding sections of prior laws), there shall be allowed as a credit against the tax for the taxable year of cessation of doing business, dissolution or withdrawal, an amount equal to the tax paid for the first taxable year which constituted a full 12 months of doing business in this state.

(b) In the case of a taxpayer whose tax for the first taxable year was computed under Section 23151.1, or subdivision (b) or (c) of Section 23183, there shall be allowed as a credit against the tax for the taxable year of cessation of doing business, dissolution or withdrawal, an amount equal to the minimum tax in effect for the first taxable year.

SEC. 213.2. Section 23202 of the Revenue and Taxation Code is amended to read:

23202. (a) In the case of a taxpayer which has been a transferee in a reorganization to which Sections 23251 to 23254, inclusive (or corresponding sections of prior laws), were applicable, there shall be allowed as a credit against the tax imposed for the taxable year of cessation of doing business, dissolution or withdrawal, an amount equal to the amount by which any tax paid by prior transferors or by the transferee as a transferor:

(1) Under Sections 23222 to 23224, inclusive (or corresponding sections of prior laws), for the first taxable year of the transferors which constituted a full 12 months of doing business, or (2) Under Section 23151.1 or subdivision (b) or

(c) of Section 23183.

(b) The credit allowable under this section shall be in addition to any credit which may be allowable to the taxpayer under Section 23201. However, any credit previously allowed or allowable under Sections 23201 and this section shall not be allowed again in computing a credit under this section.

SEC. 213.3. Section 23222 of the Revenue and Taxation Code is amended to read:

23222. (a) If a taxpayer commences to do business in this state during its first taxable year its tax for that year shall be adjusted upon the basis of the net income received during that taxable year, at the rate applicable to that year, a credit being allowed for the prepayment of the minimum tax. The return for the first taxable year, which shall be filed within 2 months and 15 days after the close of that year, shall also be the basis for the tax of said taxpayer for its second taxable year, if its first taxable year is a period of 12 months. In every case in which the first taxable year of a taxpayer constitutes a period of less than 12 months, or in which a taxpayer does business for a period of less than 12 months during its first taxable year, said taxpayer shall pay as a prepayment of the tax for its second taxable year a tax based on the income for the first taxable year computed under the law and at the rate applicable to the second taxable year, the same to be due and payable at the same times and in the same manner as if that amount were the entire amount of its tax for that year; and upon the filing of its tax return within 2 months and 15 days after the close of the second taxable year it shall pay a tax for said year, at the rate applicable to that year, based upon its net income received during that year, allowing a credit for the prepayment; but in no event, except as provided in Section 23332, shall the tax for the second taxable year be less than the amount of the prepayment for that year, and said return for its second taxable year shall also be the basis for the tax of said taxpayer for its third taxable year, if the second taxable year constitutes a period of 12 months.

(b) The provisions of subdivision (a) shall be applicable only if a taxpayer commenced doing business in this state before January 1, 1972.

SEC. 213.4. Section 23222a of the Revenue and Taxation Code is amended to read:

23222a. In every case in which the second or succeeding taxable years of a commencing taxpayer constitute a period of less than 12 months or in which the taxpayer does business for a period of less than 12 months during its second or succeeding taxable years, the tax for such year or years shall be measured by the income of that period or periods subject to the continuation of the prepayment procedure outlined in Section 23222. In no event shall the income of any period or

periods herein described be used as the measure of the tax for the succeeding taxable year, other than the prepayment, until the last short period is succeeded by a taxable period of 12 months, in which case the income of the last short period shall, if greater than the income of the 12-month period, constitute the measure of the tax for such 12-month period.

Thereafter the procedure outlined in Section 23222, in respect of the second and third taxable years, shall apply and the taxpayer shall not be subject to the provisions of this section.

In the event that a taxpayer is dissolved or withdraws from this state while subject to the provisions of this section, its tax for the year of dissolution or withdrawal shall be measured by its net income for such year. However, in no event shall the tax be less than the minimum tax provided by Section 23153.

The provisions of this section shall be applicable only if a taxpayer commenced doing business in this state before January 1, 1972.

SEC. 213.5. Section 23223 of the Revenue and Taxation Code is amended to read:

23223. (a) When any taxpayer commences to do business in this state for the first time in any taxable year other than the year of incorporation or qualification, its tax for that taxable year and for the succeeding taxable year shall be computed in accordance with the provisions of Section 23222 relative to first and second taxable years, a credit being allowed for any tax payable under Section 23153 for the year in which it commences to do business.

(b) The provisions of subdivision (a) shall be applicable only if a taxpayer commenced doing business in this state before January 1, 1972.

SEC. 213.6. Section 23224 of the Revenue and Taxation Code is amended to read:

23224. (a) Notwithstanding the provisions of Section 23222 and Section 23223, if a corporation, which has been subject to the provisions of Chapter 3 commences to do business in this state, its tax shall be computed as follows:

(1) Such corporation shall pay a tax under Chapter 3 for the whole of the year it commences to do such business;

(2) Such corporation shall, for the taxable year succeeding the year it commences to do business in this state, pay a tax under this chapter measured by its income for that taxable year;

(3) Such corporation shall, for its third taxable year, pay a tax, under this chapter, measured by its income for its second taxable year;

(4) Notwithstanding any other provisions of this part, such corporation shall file its return for such second and third taxable years on or before the 15th day of the third month

following the close of its second taxable year.

(b) The provisions of subdivision (a) shall be applicable only if a taxpayer commenced doing business in this state before January 1, 1972.

SEC. 213.7. Section 23224.5 of the Revenue and Taxation Code is amended to read:

23224.5. After December 31, 1972, if a corporation, which has been subject to the provisions of Chapter 3 commences to do business in this state, such corporation shall pay a tax under Chapter 3 for the whole of the taxable year it commences to do such business, and for taxable years thereafter, such corporation shall be taxed in accordance with Section 23151.1.

SEC. 213.8. Section 23282 of the Revenue and Taxation Code is amended to read:

23282. (a) The tax imposed upon any taxpayer which has suffered the suspension or forfeiture provided in Section 23301, and which revives in any taxable year other than the taxable year in which suspension or forfeiture occurred, shall be computed in the same manner as provided in Sections 23222 to 23224, inclusive, relative to the computation of taxes upon taxpayers commencing to do business for the first time after incorporation or qualification. In addition to the taxes, penalties, and interest specified in Section 23305, such taxpayer shall prepay a tax in an amount equal to the minimum tax provided for in Section 23153 as a condition precedent to the issuance of a certificate of revivor.

(b) After December 31, 1972, the tax imposed upon any taxpayer which has suffered the suspension or forfeiture provided in Section 23301, and which revives in any taxable year other than the taxable year in which suspension or forfeiture occurred, shall be computed in the same manner as provided in subdivision (a) of Section 23151.1, or subdivision (b) of Section 23183, relative to the computation of taxes upon taxpayers commencing to do business for the first time after incorporation or qualification. In addition to the taxes, penalties, and interest specified in Section 23305, such taxpayer shall prepay the minimum tax imposed by this subdivision as a condition precedent to the issuance of a certificate of revivor.

SEC. 213.9. Section 23332 of the Revenue and Taxation Code is amended to read:

23332. (a) Except in the case of a taxpayer subject to the provisions of Section 23222a, any taxpayer which is dissolved or withdraws from the state during any taxable year shall pay a tax only for the months of the taxable year which precede the effective date of such dissolution or withdrawal, according to or measured by (1) the net income of the preceding income year or (2) a percentage of net income determined by ascertaining the ratio which the months of the taxable

year, preceding the effective date of dissolution or withdrawal, bears to the months of the income year, whichever is the lesser amount. As to financial corporations, the offset from the tax for the months of such taxable year prior to the effective date of such dissolution or withdrawal shall not exceed that proportion of the offset computed under Sections 23184 to 23185b, inclusive, which the number of said months prior to the effective date of such dissolution or withdrawal bears to the number of months of the preceding income year. The taxes levied under this chapter shall not be subject to abatement or refund because of the cessation of business or corporate existence of any taxpayer pursuant to a reorganization, consolidation, or merger (as defined by Section 23251). In any event, each corporation shall pay a tax not subject to offset for such period in an amount equal to the minimum tax prescribed by Section 23153.

(b) The provisions of subdivision (a) shall be applied only in the computation and payment of taxes for taxable years beginning before January 1, 1973. With respect to taxable years beginning after December 31, 1972, the tax for the taxable year in which the taxpayer ceases doing business, dissolves or withdraws shall be determined under subdivision (c) of Section 23151.1, subdivision (b) or (c) of Section 23181, or subdivision (b) or (c) of Section 23183, whichever is applicable.

SEC. 214. Section 23333 of the Revenue and Taxation Code is amended to read:

23333. (a) A taxpayer subject to Section 23186 shall, if it dissolves or withdraws prior to the date the rate is determined under Section 23186, pay a tax under Section 23332 at the maximum rate prescribed by said Section 23186; if the rate is subsequently determined to be less than the maximum prescribed by Section 23186, a refund shall, within thirty (30) days of such determination, be made as prescribed by Article 1 of Chapter 22; that part of the tax thus determined which is in excess of 7 percent shall be collected as a demand for second installment under Article 3 of Chapter 19.

(b) For calendar or fiscal years ending after December 31, 1971, the rate of tax shall be 7.6 percent instead of 7 percent as provided by subdivision (a).

SEC. 215. Chapter 2.5 (commencing with Section 23400) is added to Part 11 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 2.5. TAX ON PREFERENCE INCOME

23400. (a) In addition to the other taxes imposed by this part, there is hereby imposed for each taxable year (as defined in Section 23041), with respect to the income of every

taxpayer under this part, a tax equal to 2.5 percent of the amount (if any) by which the sum of the items of tax preference in excess of thirty thousand dollars ($30,000) is greater than the sum of the amount of net loss for the income year.

(b) With respect to taxpayers subject to Article 4 of Chapter 2 (commencing with Section 23101) of this part, the provisions of Articles 4 to 9, inclusive, shall apply to the tax imposed by this section except that Section 23221 shall not apply.

(c) For the purposes of computing the minimum tax on items of tax preference for taxable years in which a taxpayer commenced doing business, dissolves, withdraws, or ceases doing business, the provisions of Sections 23151, 23151.1, 23181, 23183, 23201 to 23204, inclusive, 23222 to 23224.5, inclusive, 23282, 23332, 23332.5, 23504 and 25401 shall be applied with due regard for the rate and tax preference amounts prescribed by this chapter.

23401. For purposes of this chapter the items of tax preference are:

(a) With respect to each property as described in Section 1250(c) of the Internal Revenue Code as such provision read on April 1, 1970, the amount by which the deduction allowable for the income year for exhaustion, wear, tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the income year, had the taxpayer depreciated the property under the straight line method for each income year of its useful life (determined without regard to Section 24354.2) for which the taxpayer has held the property.

(b) In the case of a taxpayer subject to tax under Article 3 (commencing with Section 23181) of Chapter 2 of this part, the amount by which the deduction allowable for the income year for a reasonable addition to a reserve for bad debts exceeds the amount that would have been allowed if the taxpayer maintained its bad debt reserve for all income years on the basis of actual experience, as defined in Section 585(b)(3)(A) of the Internal Revenue Code of 1954.

It is the intent of the Legislature that this subdivision shall apply only to new additions each year to the bad debt reserve.

(c) With respect to each property, as defined in Sections 24831 to 24835, inclusive, the excess of the deduction for depletion allowable under Section 24835 for the income year over the adjusted basis of the property at the end of the income year, as determined without regard to the depletion deduction for the income year.

23402. When the items of tax preference of a taxpayer subject to the minimum tax under this chapter are derived from, or attributable to, sources within and without this state,

the minimum tax shall be imposed on items of tax preference derived from, or attributable to, sources within this state. Such income shall be determined in the manner prescribed in Chapter 17 (commencing with Section 25101) of this part.

23403. The tax imposed by Section 23400 shall apply to an organization subject to tax under Article 2 (commencing with Section 23731) of Chapter 4 of this part with respect to items of tax preference which enter into the computation of unrelated business income.

SEC. 216. Section 23501 of the Revenue and Taxation Code is amended to read:

23501. (a) There shall be imposed upon every corporation for each taxable year, a tax at the rate of 7 percent upon its net income derived from sources within this state on or after January 1, 1937, other than income for any period for which the corporation is subject to taxation under Chapter 2 of this part, according to or measured by its net income.

(b) For calendar or fiscal years ending after December 31, 1971, the rate of tax shall be 7.6 percent instead of 7 percent as provided by subdivision (a).

SEC. 217. Section 23701 of the Revenue and Taxation Code is amended to read:

23701. Organizations which are organized and operated for nonprofit purposes within the provisions of a specific section of this article, or are subject to Section 23701m, are exempt from taxes imposed under this part, except as provided in Article 2 (commencing with Section 23731) of this chapter, if:

(a) An application for exemption is submitted in the form prescribed by the Franchise Tax Board; and

(b) A filing fee of ten dollars ($10) is paid with each application for exemption filed with the Franchise Tax Board after December 31, 1969; and

(c) The Franchise Tax Board issues a determination exempting the organization from tax.

This section shall not prevent a determination from having retroactive effect and does not prevent the issuance of a determination with respect to a domestic organization which was in existence prior to January 1, 1970, and exempt under prior law without the submission of a formal application or payment of a filing fee. For the purpose of this section, the term "domestic" means created or organized under the laws of this state.

The Franchise Tax Board may issue rulings and regulations as are necessary and reasonable to carry out the provisions of this article.

SEC. 218. Section 23701c of the Revenue and Taxation Code is amended to read:

23701c. Cemetery companies owned and operated

exclusively for the benefit of their members or which are not operated for profit; and any corporation chartered solely for the purpose of the disposal of bodies by burial or cremation which is not permitted by its charter to engage in any business not necessarily incident to that purpose and no part of the net earning of which inures to the benefit of any private shareholder or individual.

SEC. 219. Section 23701d of the Revenue and Taxation Code is amended to read:

23701d. Corporations, community chests or trusts, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which does not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. An organization is not organized exclusively for exempt purposes listed above unless its assets are irrevocably dedicated to one or more purposes listed in this section. Dedication of assets requires that in the event of dissolution of an organization or the impossibility of performing the specific organizational purposes the assets would continue to be devoted to exempt purposes. Assets shall be deemed irrevocably dedicated to exempt purposes if the articles of organization provide that upon dissolution the assets will be distributed to an organization which is exempt under this section or Section 501(c) (3) of the Internal Revenue or local government for public purposes; or by a provision in the articles of organization, satisfactory to the Franchise Tax Board; that the property will be distributed in trust for exempt purposes; or by establishing that the assets are irrevocably dedicated to exempt purposes by operation of law. The irrevocable dedication requirement shall not be a sole basis for revocation of an exempt determination made by the Franchise Tax Board prior to the effective date of this amendment.

SEC. 220. Section 23701f of the Revenue and Taxation Code is amended to read:

23701f. Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local organizations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

An organization is not organized exclusively for exempt

purposes listed above unless its assets are irrevocably dedicated to one or more purposes listed in this section.

SEC. 221. Section 23701r is added to the Revenue and Taxation Code, to read:

23701r. Corporations organized and operated to support or defeat a political candidate or to support or recall an elective public officer which are supported solely by contributions and no part of the income of which inures to the benefit of any individual other than through the political support or opposition.

SEC. 222. Section 23701s is added to the Revenue and Taxation Code, to read:

23701s. A trust or trusts created before June 25, 1959, forming part of a plan providing for the payment of benefits under a pension plan funded only by contributions of employees, if—

(1) Under the plan, it is impossible, at any time prior to the satisfaction of all liabilities with respect to employees under the plan, for any part of the corpus or income to be (within the taxable year or thereafter) used for, or diverted to, any purpose other than the providing of benefits under the plan,

(2) Such benefits are payable to employees under a classification which is set forth in the plan and which is found by the Franchise Tax Board not to be discriminatory in favor of employees who are officers, shareholders, persons whose principal duties consist of supervising the work of other employees, or highly compensated employees, and

(3) Such benefits do not discriminate in favor of employees who are officers, shareholders, persons whose principal duties consist of supervising the work of other employees, or highly compensated employees. A plan shall not be considered discriminatory within the meaning of this paragraph merely because the benefits received under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan.

SEC. 223. Section 23702 of the Revenue and Taxation Code is amended to read:

23702. (a) An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt from taxation under any section of this article on the ground that all of its profits are payable to one or more organizations exempt from taxation under this article, or on the basis that it is using all its profits for purposes which would be exempt from taxation under this article, if conducted by a separate corporation.

(b) For the purposes of this section the term "trade or business" shall not include:

(1) The deriving of rents which would be excluded under paragraph (3) of subdivision (b) of Section 23732 if Section

23732 applied to the organization,

(2) Any trade or business in which substantially all the work in carrying on such trade or business is performed for the organization without compensation, or

(3) Any trade or business which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

SEC. 224. Section 23707 is added to the Revenue and Taxation Code, to read:

23707. (a) Except as provided in subdivision (b), the status of any organization as a private foundation shall be terminated only if—

(1) Such organization notifies the Franchise Tax Board (at such time and in such manner as the Franchise Tax Board may by regulations prescribe) of its intent to accomplish such termination, or

(2) Such organization has been terminated by the Attorney General of this state or by action taken pursuant to Section 507 of the Internal Revenue Code.

(b) (1) The status as a private foundation of any organization shall be terminated if—

(A) Such organization distributes all of its net assets to one or more organizations described below (other than clauses (vii), (viii), (ix) or (x)) each of which has been in existence and so described for a continuous period of at least 60 calendar months immediately preceding such distribution and exempt from tax under Section 23701d of the Revenue and Taxation Code or Section 501(c)(3) of the Internal Revenue Code during the last 60 months, or—

(i) A church or a convention or association of churches,

(ii) An educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on,

(iii) An organization the principal purpose or functions of which are the providing of medical or hospital care or medical education or medical research, if the organization is a hospital, or if the organization is a medical research organization directly engaged in the continuous active conduct of medical research in conjunction with a hospital, and during the calendar year in which the contribution is made such organization is committed to spend such contributions for such research before January 1 of the fifth calendar year which begins after the date such contribution is made.

(iv) An organization which normally receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the

basis for its exemption under Section 23701d) from the United States or any state or political subdivision thereof or from direct or indirect contributions from the general public, and which is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a college or university which is an organization referred to in clause (ii) of this subparagraph and which is an agency or instrumentality of a state or political subdivision thereof, or which is owned or operated by a state or political subdivision thereof or by an agency or instrumentality of one or more states or political subdivisions,

(v) A governmental unit referred to in subdivision (a) of Section 17214 of the Personal Income Tax Law,

(vi) An organization referred to in subdivision (b) of Section 17214 of the Personal Income Tax Law which normally receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Section 23701d) from a governmental unit referred to in subdivision (a) of Section 17214 of the Personal Income Tax Law or from direct or indirect contributions from the general public,

(vii) A private operating foundation (as defined in Section 4942(j)(3) of the Internal Revenue Code),

(viii) Any other private foundation (as defined in Section 509(a) of the Internal Revenue Code) which, not later than the 15th day of the third month after the close of the foundation's taxable year in which contributions are received, makes qualifying distributions (as defined in Section 4942(g) of the Internal Revenue Code, without regard to paragraph (3) thereof), which are treated, after the application of Section 4942(g)(3) of the Internal Revenue Code as distributions out of corpus (in accordance with Section 4942(h) of the Internal Revenue Code) in an amount equal to 100 percent of such contributions, and with respect to which the taxpayer maintains adequate records or other sufficient evidence from the foundation showing that the foundation made such qualifying distributions, and

(ix) A private foundation all of the contributions to which are pooled in a common fund and which would be described in paragraph (3) of Section 509(a) of the Internal Revenue Code but for the right of any substantial contributor (hereafter in this clause called "donor") or his spouse to designate annually the recipients, from among organizations described in paragraph (1) of Section 509(a) of the Internal Revenue Code, of the income attributable to the donor's contribution to the fund and to direct (by deed or by will) the payment, to an organization described in such paragraph (1), of the corpus in the common fund shall apply only if all the

income of the common fund is required to be (and is) distributed to one or more organizations described in such paragraph (1) not later than the 15th day of the third month after the close of the taxable year in which the income is realized by the fund and only if all of the corpus attributable to any donor's contribution to the fund is required to be (and is) distributed to one or more of such organizations not later than one year after his death or after the death of his surviving spouse if she has the right to designate the recipients of such corpus.

(x) An organization described in paragraph (2) or (3) of Section 509(a) of the Internal Revenue Code.

(B) Such organization meets the requirements of Section 507(b)(1)(B) or paragraph (1), (2), or (3) of Section 509(a) of the Internal Revenue Code, whichever applies, and furnishes copies of its federal notice of termination of its private foundation status to the Franchise Tax Board.

(2) For purposes of this part, in the case of a transfer of assets of any private foundation to another private foundation pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization, or reorganization, the transferee foundation shall not be treated as a newly created organization.

SEC. 225. Section 23708 is added to the Revenue and Taxation Code, to read:

23708. (a) For the purposes of this part, unless otherwise indicated in context, the term "an organization exempt from tax" shall mean an organization which has satisfied the provisions of Section 23701.

(b) Except as provided in subdivision (c), any organization (including an organization in existence on December 31, 1970) which is described in Section 23701d and which does not notify the Franchise Tax Board at such time and such manner as the Franchise Tax Board may prescribe, that it is not a private foundation shall be presumed to be a private foundation. The time prescribed for giving notice under this subdivision shall not expire before the 90th day after the day on which the regulations first prescribed under this subdivision become final.

(c) Subdivision (b) shall not apply to—

(1) Churches, their integrated auxiliaries, and conventions or associations of churches, or

(2) Any organization which is not a private foundation (as defined in Section 23709).

(3) The Franchise Tax Board may by regulations exempt (to the extent and subject to such conditions as may be prescribed in such regulations) from the provisions of subdivision (b)—

(A) Educational organizations which normally maintain a

regular faculty and curriculum and normally have a regularly enrolled body of pupils or students in attendance at the place where their educational activities are regularly carried on; and

(B) Any other class of organizations with respect to which the Franchise Tax Board determines that full compliance with the provisions of subdivision (b) is not necessary to the efficient administration of the provisions of this title relating to private foundations.

(d) (1) No gift or bequest made to an organization upon which the tax provided by Section 507(c) of the Internal Revenue Code has been imposed shall be allowed as a deduction under Section 17214 or 24357, if such gift or bequest is made—

(A) By any person after notification of termination is made under Section 507(a) of the Internal Revenue Code, or

(B) By a substantial contributor (as defined in Section 507(d)(2) of the Internal Revenue Code) in his taxable year which includes the first day on which action is taken by such organization which culminates in the imposition of tax under Section 507(c) of the Internal Revenue Code and any subsequent taxable year.

(2) No gift or bequest made to an organization shall be allowed as a deduction under Section 17214, 17734 or 24357, if such gift or bequest is made—

(A) To a private foundation or trust described in Section 4947 of the Internal Revenue Code in a taxable year for which it fails to meet the requirements of subdivision (e) of this section (determined without regard to subparagraphs (B) and (C) of paragraph (2) of subdivision (e) of this section), or

(B) To any organization that has not established its exemption under Section 23701d or Section 501(c)(3) of the Internal Revenue Code for the period concerned.

(3) Paragraph (1) shall not apply if the entire amount of the unpaid portion of the tax imposed under Section 507(c) of the Internal Revenue Code is abated.

(e) (1) A private foundation shall not be exempt from taxation under Section 23701d unless its governing instrument includes provisions the effects of which are—

(A) To require its income for each taxable year to be distributed at such time and in such manner as not to subject the foundation to tax under Section 4942 of the Internal Revenue Code, and

(B) To prohibit the foundation from engaging in any act of self-dealing (as defined in Section 4941 of the Internal Revenue Code) from retaining any excess business holdings (as defined in Section 4943 of the Internal Revenue Code), from making any investments in such manner as to subject

the foundation to tax under Section 4944 of the Internal Revenue Code.

(2) In the case of any organization organized before January 1, 1970, paragraph (1) shall not apply—

(A) To any taxable year beginning before January 1, 1972,

(B) To any period after December 31, 1971, during the pendency of any judicial proceeding begun before January 1, 1972, by the private foundation which is necessary to reform, or to excuse such foundation from compliance with, its governing instrument or any other instrument in order to meet the requirements of paragraph (1), and

(C) To any period after the termination of any judicial proceeding described in subparagraph (B) during which its governing instrument or any other instrument does not permit it to meet the requirements of paragraph (1).

(3) This subdivision shall not apply to require the inclusion in governing instruments of any provisions inconsistent with this subdivision.

(f) Notwithstanding any of the requirements of this section, if they are determined to be met under federal law they are also met for state purposes.

SEC. 226. Section 23709 is added to the Revenue and Taxation Code, to read:

23709. (a) For the purposes of this part the term "private foundation" means a domestic or foreign organization defined in the Internal Revenue Code as a private foundation.

(b) For the purposes of this part, if an organization is a private foundation (within the meaning of subdivision (a)) on December 31, 1970, or becomes a private foundation on any subsequent date, such organization shall be treated as a private foundation for all periods after December 31, 1970, or after such subsequent date, unless its status as such is terminated.

(c) For purposes of this part, an organization the status of which as a private foundation is terminated shall be treated as an organization created on the day after the date of such termination, except in the case of a transfer of assets of any private foundation to another private foundation pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization, or reorganization, the transferee shall not be treated as a newly created organization.

(d) For purposes of this part, the term "support" includes (but is not limited to)—

(1) Gifts, grants, contributions, or membership fees,

(2) Gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities in any activity which is not an unrelated trade or business (within the meaning of Section 23734),

(3) Net income from unrelated business activities, whether or not such activities are carried on regularly as a trade or business,

(4) Gross investment income (as defined in subdivision (e)),

(5) Tax revenues levied for the benefit of an organization and either paid to or expended on behalf of such organization, and

(6) The value of services or facilities (exclusive of services or facilities generally furnished to the public without charge) furnished by a governmental unit referred to in subdivision (a) of Section 17214 to an organization without charge.

Such term does not include any gain from the sale or other disposition of property which would be considered as gain from the sale or exchange of a capital asset, or the value of exemption from any federal, state, or local tax or any similar benefit.

(e) For purposes of this section, the term "gross investment income" means the gross amount of income from interest, dividends, rents, and royalties, but not including any such income to the extent included in computing the tax imposed by Section 23731.

SEC. 227. Section 23731 of the Revenue and Taxation Code is amended to read:

23731. Every organization or trust exempt under Chapter 4 of this part shall, except as provided in this article, be subject to the tax imposed upon its unrelated business taxable income as defined in Section 23732.

(a) Corporations, associations and business trusts will be subject to the tax rates imposed under Section 23151 or Section 23501.

(b) Trusts will be subject to individual tax rates imposed by Section 17041.

This section shall be applicable for income years beginning after December 31, 1970.

SEC. 228. Section 23731a of the Revenue and Taxation Code is repealed.

SEC. 229. Section 23731b of the Revenue and Taxation Code is repealed.

SEC. 230. Section 23732 of the Revenue and Taxation Code is amended to read:

23732. (a) (1) Except as otherwise provided in this subdivision, the term "unrelated business taxable income" means the gross income derived by any organization from any unrelated trade or business (as defined in Section 23734) regularly carried on by it, less the deductions allowed by this article which are directly connected with the carrying on of such trade or business, both computed with the modifications

provided in subdivision (b).

(2) (A) In the case of an organization described in Section 23701g or 23701i, the term "unrelated business taxable income" means the gross income (excluding any exempt function income), less the deductions allowed by this article which are directly connected with the production of the gross income (excluding function income), both computed with the modifications provided in paragraphs (9), (10), and (11) of subdivision (b).

(B) For purposes of subparagraph (A), the term "exempt function income" means the gross income from dues, fees, charges, or similar amounts paid by members of the organization as consideration for providing such members or their dependents or guests goods, facilities, or services in furtherance of the purposes constituting the basis for the exemption of the organization to which such income is paid. Such term also means all income (other than an amount equal to the gross income derived from any unrelated trade or business regularly carried on by such organization computed as if the organization were subject to paragraph (1)), which is set aside—

(i) For a purpose specified in subdivision (e) of Section 17214, or

(ii) In the case of an organization described in Section 23701i, to provide for the payment of life, sick, accident, or other benefits, including reasonable costs of administration directly connected with a purpose described in clause (i) or (ii).

If during the taxable year, an amount which is attributable to income so set aside is used for a purpose other than that described in clause (i) or (ii), such amount shall be included, under subparagraph (A), in unrelated business taxable income for the taxable year.

(C) If property used directly in the performance of the exempt function of an organization described in Section 23701g or 23701i is sold by such organization, and within a period beginning one year before the date of such sale, and ending three years after such date, other property is purchased and used by such organization directly in the performance of its exempt function, gain (if any) from such sale shall be recognized only to the extent that such organization's sales price of the old property exceeds the organization's cost of purchasing the other property. For purposes of this subparagraph, the destruction in whole or in part, theft, seizure, requisition, or condemnation of property, shall be treated as the sale of such property and rules similar to the rules provided by Sections 18092, 18093, 18095, and 18100 shall apply.

(3) If a corporation exempt under Section 23701h—

(A) Pays any amount of its net income for a taxable year to an organization (parent) exempt from taxation under Section 23701 or 17631 (or in case of an organization located outside the state the exemption may be under Section 501 (a) of the Internal Revenue Code) or which would pay such amount but for the fact that the expenses of collecting its income exceeded its income, and

(B) Such corporation and such organization file a consolidated federal return for the year and furnish a copy of the consolidated return with its return, such corporation shall be treated, for the purposes of the tax imposed by Section 23731, as being organized and operated for the same purposes as such organization in addition to the purposes described in Section 23701h.

(b) The modifications referred to in subdivision (a) are the following:

(1) There shall be excluded all dividends, interest, and annuities, and all deductions directly connected with such income.

(2) There shall be excluded all royalties (including overriding royalties) whether measured by production or by gross or taxable income from the property, and all deductions directly connected with such income.

(3) In the case of rents—

(A) Except as provided in subparagraph (B), there shall be excluded—

(i) All rents from real property, and

(ii) All rents from personal property leased with such real property, if the rents attributable to such personal property are an incidental amount of the total rents received or accrued under the lease, determined at the time the personal property is placed in service.

(B) Subparagraph (A) shall not apply—

(i) If more than 50 percent of the total rent received or accrued under the lease is attributable to personal property described in subparagraph (A) (ii), or

(ii) If the determination of the amount of such rent depends in whole or in part on the income or profits derived by any person from the property leased (other than an amount based on a fixed percentage or percentages of receipts or sales).

(C) There shall be excluded all deductions directly connected with rents excluded under subparagraph (A).

(4) Notwithstanding paragraph (1), (2), (3), or (5), in case of debt-financed property (as defined in Section 23735) there shall be included, as an item of gross income derived from an unrelated trade or business, the amount ascertained under paragraph (1) of subdivision (a) of Section 23735, and there shall be allowed, as a deduction, the amount ascertained

under paragraph (2) of subdivision (a) of Section 23735.

(5) There shall be excluded all gains or losses from the sale, exchange or other disposition of property other than—

(A) Stock in trade or other property of a kind which would properly be includable in inventory if on hand at the close of the taxable year, or

(B) Property held primarily for sale to customers in the ordinary course of the trade or business.

This paragraph shall not apply with respect to the cutting of timber which is considered, on the application of Section 17711, as a sale or exchange of such timber.

(6) There shall be excluded all income derived from research for (A) the United States, or any of its agencies or instrumentalities, or (B) any state or political subdivision thereof; and there shall be excluded all deductions directly connected with such income.

(7) In the case of a college, university, or hospital, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

(8) In the case of an organization operated primarily for purposes of carrying on fundamental research the results of which are freely available to the general public, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

(9) In the case of any organization (other than a trust) subject to tax under Section 23731, the deduction allowed by Section 24357 (relating to charitable, etc., contributions and gifts) shall be allowed (whether or not directly connected with the carrying on of the trade or business), but shall not exceed 5 percent of the unrelated business taxable income computed without the benefit of this paragraph.

(10) In the case of any trust subject to taxation under Section 23731 or subdivision (a) of Section 17651, the deduction allowed by Sections 17214 and 17215 (relating to charitable, etc., contributions and gifts) shall be allowed (whether or not directly connected with the carrying on of the trade or business) and for such purpose a distribution made by the trust to a beneficiary described in Section 17214 shall be considered a gift or contribution. The deduction allowed by this paragraph shall be allowed with the limitations prescribed in Section 17215 determined with reference to the unrelated business taxable income computed without the benefit of this paragraph (in lieu of with reference to adjusted gross income).

(11) There shall also be allowed a specific deduction of one thousand dollars ($1,000). In the case of a diocese, province of a religious order, or a convention or association of churches,

there shall be allowed, with respect to each parish, individual church, district, or other local unit, a specific deduction equal to the lower of—

(A) One thousand dollars ($1,000), or

(B) The gross income derived from any unrelated trade or business regularly carried on by such local unit.

(12) In the case of an organization which is described in Section 23701a, there shall be excluded all income used to establish, maintain, or operate a retirement home, hospital, or other similar facility for the exclusive use and benefit of the aged and infirm members of such an organization, which is derived from agricultural pursuits conducted on ground contiguous to the retirement home, hospital, or similar facility and further provided that such income does not provide more than 75 percent of the cost of maintaining and operating the retirement home, hospital, or similar facility; and there shall be excluded all deductions directly connected with such income.

(13) Notwithstanding paragraph (1), (2), or (3), amounts of interest, annuities, royalties, and rents derived from any organization (in this paragraph called the controlled organization) of which the organization deriving such amounts (in this paragraph called the controlling organization) has control (as defined in Section 24564) shall be included as an item of gross income (whether or not the activity from which such amounts are derived represents a trade or business or is regularly carried on) in an amount which bears the same ratio as—

(A) (i) In the case of a controlled organization which is not exempt from taxation under Section 23701 or 17631, the excess of the amount of taxable income of the controlled organization over the amount of such organization's taxable income which if derived directly by the controlling organization would not be unrelated business taxable income, or

(ii) In the case of a controlled organization which is exempt from taxation under Section 23701 or 17631, the amount of unrelated business taxable income of the controlled organization, bears to

(B) The taxable income of the controlled organization (determined in the case of a controlled organization to which subparagraph (A) (ii) applies as if it were not an organization exempt from taxation under Section 23701 or 17631), but not less than the amount determined in clause (i) or (ii), as the case may be, of subparagraph (A),

both amounts computed without regard to amounts paid directly or indirectly to the controlling organization. There shall be allowed all deductions directly connected with amounts included in gross income under the preceding

sentence.

SEC. 231. Section 23732a of the Revenue and Taxation Code is repealed.

SEC. 232. Section 23732b of the Revenue and Taxation Code is repealed.

SEC. 233. Section 23732c of the Revenue and Taxation Code is repealed.

SEC. 234. Section 23732d of the Revenue and Taxation Code is repealed.

SEC. 235. Section 23732e of the Revenue and Taxation Code is repealed.

SEC. 236. Section 23732f of the Revenue and Taxation Code is repealed.

SEC. 237. Section 23732g of the Revenue and Taxation Code is repealed.

SEC. 238. Section 23732h of the Revenue and Taxation Code is repealed.

SEC. 239. Section 23733 of the Revenue and Taxation Code is amended to read:

23733. If a trade or business regularly carried on by a partnership, of which an organization is a member, is an unrelated trade or business with respect to such organization, such organization in computing its unrelated business taxable income shall, subject to the modifications contained in Section 23732 include its share (whether or not distributed) of the gross income of the partnership from such unrelated trade or business and its share of the partnership deductions directly connected with such gross income. If the taxable year of the organization is different from that of the partnership, the amounts to be so included or deducted in computing the unrelated business taxable income shall be based upon the income and deductions of the partnership for any taxable year of the partnership ending within or with the taxable year of the organization.

SEC. 240. Section 23733a of the Revenue and Taxation Code is repealed.

SEC. 241. Section 23734 of the Revenue and Taxation Code is amended to read:

23734. The term "unrelated trade or business" means, in the case of any organization subject to the tax imposed by Section 23731, any trade or business the conduct of which is not substantially related (aside from the need of such organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Article 1, except that such term shall not include any trade or business—

(a) In which substantially all the work in carrying on such

trade or business is performed for the organization without compensation; or

(b) Which is carried on, in the case of an organization described in Section 23701d, by the organization primarily for the convenience of its members, students, patients, officers, or employees, or, in the case of a local association of employees described in Section 23701f, organized before May 27, 1969, which is the selling by the organization of items of work-related clothes and equipment and items normally sold through vending machines, through food dispensing facilities, or by snackbars, for the convenience of its members at their usual place of employment; or

(c) Which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

SEC. 242. Section 23734a of the Revenue and Taxation Code is amended to read:

23734a. For the purposes of Section 23734, the term "trade or business" includes any activity which is carried on for the production of income from the sale of goods or the performance of services. For purposes of the preceding sentence, an activity does not lose identity as a trade or business merely because it is carried on within a larger aggregate of similar activities or within a larger complex of other endeavors which may, or may not, be related to the exempt purposes of the organization. Where an activity carried on for profit constitutes an unrelated trade or business, no part of such trade, or business shall be excluded from such classification merely because it does not result in profit.

SEC. 243. Section 23735 is added to the Revenue and Taxation Code, to read:

23735. (a) In computing under Section 23732 the unrelated business taxable income for any taxable year—

(1) There shall be included with respect to each debt-financed property as an item of gross income derived from an unrelated trade or business an amount which is the same percentage (but not in excess of 100 percent) of the total gross income derived during the taxable year from or on account of such property as (A) the average acquisition indebtedness (as defined in subdivision (C)(7)) for the taxable year with respect to the property is of (B) the average amount (determined under regulations prescribed by the Franchise Tax Board) of the adjusted basis of such property during the period it is held by the organization during such taxable year.

(2) There shall be allowed with respect to each debt-financed property, as a deduction to be taken into account in computing unrelated debt-financed income, an

amount determined by applying (except as provided in the last sentence of this paragraph) the percentage derived under paragraph (1) to the sum determined under paragraph (3). The percentage derived under this paragraph shall not be applied with respect to the deduction of any capital loss resulting from the carryover of net capital losses under Section 18152.

(3) The sum referred to in paragraph (2) is the sum of the deductions under this part which are directly connected with the debt-financed property or the income therefrom, except that if the debt-financed property is of a character which is subject to the allowance for depreciation provided in Section 17208 or 24349, the allowance shall be computed only by use of the straight-line method.

(b) For the purpose of this section—

(1) The term "debt-financed property" means any property which is held to produce income and with respect to which there is an acquisition indebtedness (as defined in subdivision (c)) at any time during the taxable year (or, if the property was disposed of during the taxable year, with respect to which there was an acquisition indebtedness at any time during the 12-month period ending with the date of such disposition), except that such term does not include—

(A) (i) Any property substantially all the use of which is substantially related (aside from the need of the organization for income or funds) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Section 17631 or 23701; or

(ii) Any property to which clause (i) does not apply, to the extent that its use is so substantially related;

(B) Except in the case of income excluded under paragraph (5) of subdivision (b) of Section 23732, any property to the extent that the income from such property is taken into account in computing the gross income of any unrelated trade or business;

(C) Any property to the extent that the income from such property is excluded by reason of the provisions of paragraph (6), (7), or (8) of subdivision (b) of Section 23732 in computing the gross income of any unrelated trade or business; or

(D) Any property to the extent that it is used in any trade or business described in subdivision (a), (b), or (c) of Section 23734.

For purposes of subparagraph (A), substantially all the use of a property shall be considered to be substantially related to the exercise or performance by an organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Section 17631 or

23701 if such property is real property subject to a lease to a medical clinic entered into primarily for purposes which are substantially related (aside from the need of such organization for income or funds or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Section 17631 or 23701.

(2) For purposes of applying subparagraphs (A), (C) and (D) of paragraph (1), the use of any property by an exempt organization which is related to an organization shall be treated as use by such organization.

(3) (A) If an organization acquires real property for the principal purpose of using the land (commencing within 10 years of the time of acquisition) in the manner described in subparagraph (A) of paragraph (1) and at the time of acquisition the property is in the neighborhood of other property owned by the organization which is used in such manner, the real property acquired for such future use shall not be treated as debt-financed property so long as the organization does not abandon its intent to so use the land within the 10-year period. The preceding sentence shall not apply for any period after the expiration of the 10-year period, and shall apply after the first five years of the 10-year period only if the organization establishes to the satisfaction of the Franchise Tax Board that it is reasonably certain that the land will be used in the described manner before the expiration of the 10-year period.

(B) If the first sentence of subparagraph (A) is inapplicable only because—

(i) The acquired land is not in the neighborhood referred to in subparagraph (A), or

(ii) The organization (for the period after the first five years of the 10-year period) is unable to establish to the satisfaction of the Franchise Tax Board that it is reasonably certain that the land will be used in the manner described in subparagraph (A) of paragraph (1) before the expiration of the 10-year period,

but the land is converted to such use by the organization within the 10-year period, the real property (subject to the provisions of subparagraph (D)) shall not be treated as debt-financed property for any period before such conversion. For purposes of this subparagraph, land shall not be treated as used in the manner described in subparagraph (A) of paragraph (1) by reason of the use made of any structure which was on the land when acquired by the organization.

(C) Subparagraphs (A) and (B)—

(i) Shall apply with respect to any structure on the land

when acquired by the organization, or to the land occupied by the structure, only if (and so long as) the intended future use of the land in the manner described in subparagraph (A) of paragraph (1) requires that the structure be demolished or removed in order to use the land in such manner;

(ii) Shall not apply to structures erected on the land after the acquisition of the land; and

(iii) Shall not apply to property subject to a lease which is an "Article 2" lease as (defined in Section 23735a).

(D) If an organization for any taxable year has not used land in the manner to satisfy the actual use condition of subparagraph (B) before the time prescribed by law (including extensions thereof) for filing the return for such taxable year, the tax for such year shall be computed without regard to the application of subparagraph (B), but if and when such use condition is satisfied, the provisions of subparagraph (B) shall then be applied to such taxable year. If the actual use condition of subparagraph (B) is satisfied for any taxable year after such time for filing the return, and if credit or refund of any overpayment for the taxable year resulting from the satisfaction of such use condition is prevented at the close of the taxable year in which the use condition is satisfied, by the operation of any law or rule of law (other than Section 25781, relating to closing agreements and compromises), credit or refund of such overpayment may nevertheless be allowed or made if claim therefor is filed before the expiration of one year after the close of the taxable year in which the use condition is satisfied. Interest on any overpayment for a taxable year resulting from the application of subparagraph (B) after the actual use condition is satisfied shall be allowed and paid at the rate of 4 percent per annum in lieu of 6 percent per annum.

(E) In applying this paragraph to a church or convention or association of churches, in lieu of the 10-year period referred to in subparagraphs (A) and (B) a 15-year period shall be applied, and subparagraph (A) and clause (ii) of subparagraph (B) shall apply whether or not the acquired land meets the neighborhood test.

(c) For the purpose of this section—

(1) The term "acquisition indebtedness" means with respect to any debt-financed property, the unpaid amount of—

(A) The indebtedness incurred by the organization in acquiring or improving such property;

(B) The indebtedness incurred before the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(C) The indebtedness incurred after the acquisition or

improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably forseeable at the time of such acquisition or improvement;

except that in case of any taxable year beginning before January 1, 1972, any indebtedness incurred before June 28, 1966 shall not be taken into account unless such indebtedness constitutes Article 2 lease indebtedness (as defined in Section 23735a).

(2) Property acquired subject to mortgage shall be subject to the following rules, exceptions, and limitations.

(A) Where property (no matter how acquired) is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by such mortgage or lien shall be considered as an indebtedness of the organization incurred in acquiring such property even though the organization did not assume or agree to pay such indebtedness.

(B) Where property subject to a mortgage is acquired by an organization by bequest or devise, the indebtedness secured by the mortgage shall not be treated as acquisition indebtedness during a period of 10 years following the date of the acquisition. If an organization acquires property by gift subject to a mortgage which was placed on the property more than five years before the gift, which property was held by the donor more than five years before the gift, the indebtedness secured by such mortgage shall not be treated as acquisition indebtedness during a period of 10 years following the date of such gift. This subparagraph shall not apply if the organization, in order to acquire the equity in the property by request, devise, or gift, assumes and agrees to pay the indebtedness secured by the mortgage, or if the organization makes any payment for the equity in the property owned by the decedent or the donor.

(3) An extension, renewal, or refinancing of an obligation evidencing a preexisting indebtedness shall not be treated, for the purpose of this section, as the creation of a new indebtedness.

(4) The term "acquisition indebtedness" does not include indebtedness the incurrence of which is inherent in the performance or exercise of the purpose or function constituting the basis of the organization's exemption.

(5) The term "acquisition indebtedness" does not include an obligation to pay an annuity which—

(A) Is the sole consideration (other than a mortgage to which subparagraph (B) of paragraph (2) applies) issued in exchange for property if, at the time of the exchange, the value of the annuity is less than 90 percent of the value of the property received in the exchange,

(B) Is payable over the life of one individual in being at the time the annuity is issued or over the lives of two individuals in being at such time, and

(C) Is payable under a contract which—

(i) Does not guarantee a minimum amount of payments or specify a maximum amount of payments, and

(ii) Does not provide for any adjustment of the amount of the annuity payments by reference to the income received from the transferred property or any other property.

(6) The term "acquisition indebtedness" does not include an obligation, to the extent that it is insured by the Federal Housing Administration, to finance the purchase, rehabilitation, or construction of housing for low- and moderate-income persons.

(7) The term "average acquisition indebtedness" for any taxable year with respect to a debt-financed property means the average amount determined under regulations prescribed by the Franchise Tax Board, of the acquisition indebtedness during the period the property is held by the organization during the taxable year, except that for the purpose of computing the percentage of any gain or loss to be taken into account on a sale or other disposition of debt-financed property, such term means the highest amount of the acquisition indebtedness with respect to such property during the 12-month period ending with the date of the sale or other disposition.

(d) If the property was acquired in a complete or partial liquidation of a corporation in exchange for its stock, the basis of the property, for the purposes of this article, shall be the same as it would be in the hands of the transferor corporation, increased by the amount of gain recognized to the transferor corporation upon such distribution and by the amount of any gain to the organization which was included, on account of such distribution, in its unrelated business taxable income under subdivision (a).

(e) Where debt-financed property is held for purposes described in subparagraph (A), (B), (C), or (D) of paragraph (1) of subdivision (b) as well as for other purposes, proper allocation shall be made with respect to basis, indebtedness, and income and deductions. The allocations and exclusions required by this section shall be made in accordance with regulations prescribed by the Franchise Tax Board to the extent proper to carry out the purposes of this section.

SEC. 244. Section 23735 of the Revenue and Taxation Code is amended and renumbered to read:

23735a. (1) The term "Article 2 lease" means a lease for a term of more than five years of real property by an organization (or by a partnership of which it is a member), if at the close of the lessor's taxable year there is an Article 2

lease indebtedness (as defined in Section 23735b) with respect to such property.

(2) For purposes of paragraph (1)—

(A) In computing the term of a lease which contains an option for renewal or extension, the term of such lease shall be considered as including any period for which such option may be exercised; and the term of any lease made pursuant to an exercise of such option shall include the period during which the prior lease was in effect. If real property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition.

(B) If the property has been occupied by the same lessee for a total period of more than five years commencing not earlier than the date of acquisition of the property by the organization or trust (whether such occupancy is under one or more leases, renewals, extensions, or continuations thereof), the occupancy of such lessee shall be considered to be under a lease for a term of more than five years within the meaning of paragraph (1). However, Section 23735 shall apply in the case of a tenancy described in this paragraph (and not within subparagraph (A)) only with respect to the sixth and succeeding years of occupancy by the same lessee. For purposes of this subparagraph, the term "same lessee" shall include any lessee of the property whose relationship with a lessee of the same property is such that losses in respect of sales or exchanges of property between the two lessees would be disallowed under Section 24427.

(3) No lease shall be considered an Article 2 lease if (A) such lease is entered into primarily for purposes which are substantially related (aside from the need of such organization for income or funds or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Article 1, or (B) the lease is of premises in a building primarily designed for occupancy and occupied by the organization.

(4) If a lease for more than five years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for not more than five years to any other tenant of the organization, leases of the real property for more than five years shall be considered as Article 2 leases during the taxable year only if—

(A) The rents derived from the real property during the taxable year under such leases for more than five years (not including, as a lease for more than five years, an occupancy which is considered as such or lease by reason of subparagraph (B) of paragraph (2)) represent 50 percent or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such

lease for more than five years (not including, as a lease for more than five years, an occupancy which is considered as such or lease by reason of subparagraph (B) of paragraph (2)) represents, at any time during the taxable year, 50 percent or more of the total area of the real property rented at such time; or

(B) The rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are (i) members of an affiliated group (as defined in Section 23361) or (ii) partners, represents more than 10 percent of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 percent of the total area of the real property rented at such time. In the application of subparagraph (A), if during the last half of the term of a lease a new lease is made to take effect after the expiration of such lease, the unexpired portion of such lease on the date the second lease is made shall not be treated as a part of the term of the second lease.

SEC. 245. Section 23735a of the Revenue and Taxation Code is amended and renumbered to read:

23735b. (1) The term "Article 2 lease indebtedness" means, with respect to any real property leased for a term of more than five years, the unpaid amount of—

(A) The indebtedness incurred by the lessor in acquiring or improving such property;

(B) The indebtedness incurred prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(C) The indebtedness incurred subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition or improvement.

(2) Where real property is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by such mortgage or lien shall be considered (whether the acquisition was by gift, devise, or purchase) as an indebtedness of the lessor incurred in acquiring such property even though the lessor did not assume or agree to pay such indebtedness, except that where real property was acquired by a gift, bequest, or devise prior to January 1, 1951, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor incurred in acquiring such

property.

(3) Where real property was acquired by gift, bequest, or devise prior to January 1, 1951, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as an indebtedness for purposes of this section. In the case of a corporation described in Section 23701h, all of the stock of which was acquired prior to January 1, 1951, by an organization described in Sections 23701a, 23701d or 23701e (and more than one-third of such stock was acquired by such organization by gift or bequest), any indebtedness incurred by such corporation prior to January 1, 1951, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, shall not be considered as an indebtedness with respect to such corporation or such organization for purposes of this article. In determining the amount of the Article 2 lease indebtedness where only a portion of the real property is subject to an Article 2 lease, proper allocation to the premises covered by such lease shall be made of the indebtedness incurred by the lessor with respect to the real property.

SEC. 246. Section 23735b of the Revenue and Taxation Code is amended and renumbered to read:

23735c. For the purposes of this article, the term "real property" and the term "premises" include personal property of the lessor leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate.

SEC. 247. Section 23735c of the Revenue and Taxation Code is repealed.

SEC. 248. Section 23771 of the Revenue and Taxation Code is amended to read:

23771. Every organization, otherwise exempt under Article 1 of this chapter, but having income of the character described in Article 2, shall file a return, verified by an executive officer under penalties of perjury in the form prescribed by the Franchise Tax Board, within 2 months and 15 days of the close of the income year, reporting its income from such activities and shall pay a tax as required by Section 23731 on its unrelated business taxable income as defined in Section 23732.

SEC. 248.5. Section 23772 of the Revenue and Taxation Code is repealed.

SEC. 249. Section 23772 is added to the Revenue and Taxation Code, to read:

23772. (a) For the purposes of this part—

(1) Except as provided in paragraph (2) every

organization exempt from taxation under Section 23701 and every trust treated as a private foundation because of Section 4947(a)(1) of the Internal Revenue Code shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the laws under this part as the Franchise Tax Board may by forms or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Franchise Tax Board may from time to time prescribe. The return shall be filed on or before the 15th day of the fifth full calendar month following the close of the income year.

(2) Exceptions from filing—

(A) Mandatory exceptions—Paragraph (1) shall not apply to—

(i) Churches, their integrated auxiliaries, and conventions or association of churches,

(ii) Any organization (other than a private foundation as defined in Section 23709), the gross receipts of which in each taxable year are normally not more than five thousand dollars ($5,000), or

(iii) The exclusively religious activities of any religious order.

(B) Discretionary exceptions—The Franchise Tax Board may permit the filing of a simplified return for organizations based on either gross receipts or total assets or both gross receipts and total assets, or may permit the filing of an information statement (without fee), or may permit the filing of a group return for unincorporated branches of a state or national organization for branches with gross receipts of which in each taxable year are not more than ten thousand dollars ($10,000) where it determines that an information return is not necessary to the efficient administration of this part.

(3) An organization that is required to file an annual information return shall pay a filing fee of five dollars ($5) on or before the due date for filing the annual information return (determined with regard to any extension of time for filing the return) required by this section. In case of failure to pay the fee on or before such due date unless it is shown that such failure is due to reasonable cause, the filing fee shall be ten dollars ($10). All collection remedies provided in Chapter 23 (commencing with Section 26131) of this part shall be applicable to collection of the filing fee. However, the filing fee shall not apply to the organizations described in paragraph (4).

(4) Paragraph (3) shall not apply to: (A) a religious organization exempt under Section 23701d; (B) an

educational organization exempt under Section 23701d, if such organization normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on; (C) a charitable organization, or an organization for the prevention of cruelty to children or animals, exempt under Section 23701d, if such organization is supported, in whole or in part, by funds contributed by the United States or any state or political subdivision thereof, or is primarily supported by contributions of the general public; (D) an organization exempt under Section 23701d, if such organization is operated, supervised, or controlled by or in connection with a religious organization described in subparagraph (A).

(b) Every organization described in Section 23701d which is subject to the requirements of subdivision (a) shall furnish annually information, at such time and in such manner as the Franchise Tax Board may by forms or regulations prescribe, setting forth—

(1) Its gross income for the year,

(2) Its expenses attributable to such income and incurred within the year,

(3) Its disbursements within the year for the purposes for which it is exempt,

(4) A balance sheet showing its assets, liabilities, and net worth as of the beginning of such year,

(5) The total of the contributions and gifts received by it during the year, and the names and addresses of all substantial contributors,

(6) The names and addresses of its foundation manager (within the meaning of Section 4946 of the Internal Revenue Code) and highly compensated employees, and

(7) The compensation and other payments made during the year to each individual described in paragraph (6).

(c) In addition to the above annual return any organization which is required to file an annual report under Section 6056 of the Internal Revenue Code will furnish a copy of the report to the Franchise Tax Board at the time the annual return is due.

(d) For the purposes of this part—

(1) In the case of a failure to file a return required under Section 23772 (relating to returns by exempt organizations) on the date and in the manner prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause, there shall be paid (on notice and demand by the Franchise Tax Board and in the same manner as tax) by the exempt organization or trust failing so to file, five dollars ($5) for each month or part thereof during which such failure continues,

but the total amount imposed hereunder on any organization for failure to file any return shall not exceed forty dollars ($40).

(2) The Franchise Tax Board may make written demand upon a private foundation failing to file under paragraph (1) of this subdivision or subdivision (c) specifying therein a reasonable future date by which such filing shall be made, and if such filing is not made on or before such date, and unless it is shown that failure so to file is due to reasonable cause, there shall be paid (on notice and demand by the Franchise Tax Board and in the same manner as tax) by the person failing so to file, in addition to the penalty prescribed in paragraph (1), a penalty of five dollars ($5) each month or part thereof after the expiration of the time specified in the written demand during which such failure continues, but the total amount imposed hereunder on all persons for such failure to file shall not exceed twenty-five dollars ($25). If more than one person is liable under this paragraph for a failure to file, all such persons shall be jointly and severally liable with respect to such failure. The term "person" as used herein means any officer, director, trustee, employee, member, or other individual who is under a duty to perform the act in respect of which the violation occurs.

(e) The reporting requirements and penalties shall be applicable for income years beginning after December 31, 1970, except that the provisions of subparagraph (B) of paragraph (2) of subdivision (a) shall apply to income years ending after December 31, 1970.

SEC. 250. Section 23772.5 of the Revenue and Taxation Code is repealed.

SEC. 251. Section 23773 of the Revenue and Taxation Code is repealed.

SEC. 251.5. Section 23774 of the Revenue and Taxation Code is repealed.

SEC. 252. Section 23774 is added to the Revenue and Taxation Code, to read:

23774. Every organization exempt from filing an annual information return by reason of subdivision (a) of Section 23772, may be required to file an annual statement on or before the 15th day of the fifth calendar month following the close of the income year setting forth in such a manner as may be required by the Franchise Tax Board the following information: the name and address of the organization, its major activities, its sources of income and the section of the Internal Revenue Code under which it is exempt. Organizations other than those described in subparagraph (A) of paragraph (4) of subdivision (a) of Section 23772 may also be required by the Franchise Tax Board to furnish information with respect to their gross receipts and their

assets.

SEC. 253. Section 23775 of the Revenue and Taxation Code is amended to read:

23775. Except for purposes of amending the articles of incorporation to set forth a new name, under regulations prescribed by the Franchise Tax Board, the corporate powers, rights and privileges of an exempt domestic corporation may be suspended and the exercise of the corporate powers, rights and privileges of a foreign exempt corporation in this state may be forfeited if the organization fails to—

(a) File the annual return or statement required under Section 23772 or 23774, or pay any amount due under Section 23703 or 23772 on or before the last day of the 12th month following the close of the income year; or

(b) Notify the Franchise Tax Board of its annual accounting period within nine months after its date of incorporation or qualification.

SEC. 254. Section 23776 of the Revenue and Taxation Code is amended to read:

23776. Any organization which was suspended under the provisions of Section 23775 may be relieved therefrom upon the filing of—

(a) A new application for exemption and payment of the ten-dollar ($10) filing fee required under Section 23701;

(b) An application for revivor;

(c) Any information returns, statements, notifications, or amounts due under Sections 23772, 23774, or 23775 which were not previously submitted or paid and which resulted in the suspension or forfeiture; and

(d) An information return or statement and the amounts specified under Section 23772 for each year, or part thereof, during the period of suspension in which the organization conducted any activities or received income, grants, gifts or any other assets.

SEC. 255. Section 23777 of the Revenue and Taxation Code is amended to read:

23777. The exemption granted to any organization under the provisions of Article 1 (commencing with Section 23701) of this chapter may be revoked by the Franchise Tax Board if the organization fails to—

(a) File the annual return or statement required under Section 23772 or 23774 or pay any amount required under Section 23703 or 23772 on or before the last day of the 12th month following the close of the income year;

(b) Notify the Franchise Tax Board of its annual accounting period within nine months after its date of incorporation or qualification; or

(c) Confine its activities to those permitted by the section under which the exemption was granted.

SEC. 256. Section 23778 is added to the Revenue and Taxation Code, to read:

23778. An organization whose exemption was revoked under Section 23777 may be reestablished as an exempt organization upon the filing of—

(a) A new application for exemption and payment of the ten-dollar ($10) filing fee required under Section 23701;

(b) Any information returns, statements, notifications, or amounts due under Sections 23772, 23774, or 23775 which were not previously submitted or paid and which resulted in the revocation; and

(c) When revocation occurred under subdivision (c) of Section 23777, satisfactory proof that—

(1) The organization has corrected its nonexempt activities; and

(2) That it will operate in an exempt manner in the future; and

(3) The payment of any tax for periods the organization was not qualified for exemption.

SEC. 257. Section 24343 of the Revenue and Taxation Code is amended to read:

24343. (a) There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the income year in carrying on any trade or business, including—

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered; and

(2) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which it has no equity.

(3) Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business.

(b) (1) No deduction shall be allowed under subdivision (a) for any payment made, directly or indirectly, to an official or employee of any government, or of any agency or instrumentality of any government, if the payment constitutes an illegal bribe or kickback or, if the payment is to an official or employee of a foreign government, the payment would be unlawful under the laws of the United States if such laws were applicable to such payment and to such official or employee. The burden of proof in respect of the issue, for the purposes of this paragraph, as to whether a payment constitutes an illegal bribe or kickback (or would be unlawful under the laws of the United States) shall be upon the Franchise Tax Board to the same extent as it bears the burden of proof when the issue relates to fraud.

(2) If in a criminal proceeding a taxpayer is convicted of

making a payment (other than a payment described in paragraph (1)) which is an illegal bribe or kickback, or his plea of guilty or nolo contendere to an indictment or information charging the making of such a payment is entered or accepted in such a proceeding, no deduction shall be allowed under subdivision (a) on account of such payment or any related payment made prior to the date of the final judgment in such proceeding.

(3) If a taxpayer claimed a deduction for a payment described in paragraph (2) which is disallowed because of a final judgment entered after the close of the income year for which the deduction was claimed, and if the proceeding was based on an indictment returned or an information filed prior to the expiration of the period for the assessment of any deficiency for such income year, the period for the assessment of any deficiency attributable to the deduction of such payment shall not expire prior to the expiration of one year from the date of such final judgment, and such deficiency may be assessed prior to the expiration of such one-year period notwithstanding the provision of any other law or rule of law which would otherwise prevent such assessment.

(c) No deduction shall be allowed under subdivision (a) for any contribution or gift which would be allowable as a deduction under Sections 24357, 24358, and 24359 were it not for the percentage limitations, or the requirements as to the time of payment, set forth in such sections.

(d) For purposes of this part, whenever the amount of capital contributions evidenced by a share of stock issued pursuant to Section 303(c) of the Federal National Mortgage Association Charter Act (12 U.S.C., Section 1718) exceeds the fair market value of the stock as of the issue date of such stock, the initial holder of the stock shall treat the excess as ordinary and necessary expenses paid or incurred during the income year in carrying on a trade or business.

(e) No deduction shall be allowed under subdivision (a) for any fine or similar penalty paid to a government for the violation of any law.

(f) If in a criminal proceeding a taxpayer is convicted of a violation of the antitrust laws, or its plea of guilty or nolo contendere to an indictment or information charging such a violation is entered or accepted in such a proceeding, no deduction shall be allowed under subdivision (a) for two-thirds of any amount paid or incurred—

(1) On any judgment for damages entered against the taxpayer under Section 4 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (commonly known as the Clayton Act), on account of such violation or any related violation of the antitrust laws

which occurred prior to the date of the final judgment of such conviction, or

(2) In settlement of any action brought under such Section 4 on account of such violation or related violation.

The preceding sentence shall not apply with respect to any conviction or plea before January 1, 1971, or to any conviction or plea on or after such date in a new trial following an appeal of a conviction before such date.

SEC. 258. Section 24352.1 is added to the Revenue and Taxation Code, to read:

24352.1. A taxpayer may, on or before the last day prescribed by law (including extensions thereof) for filing its return for its first income year beginning after July 24, 1969, and in such manner as the Franchise Tax Board shall by regulation prescribe, elect to change its method of depreciation in respect to property of the type defined in Section 18214 of the Personal Income Tax Law from any declining balance or sum of the years-digits method to the straight line method. An election may be made under this section notwithstanding any provision to the contrary in an agreement under Section 24351.

SEC. 259. Section 24352.5 is added to the Revenue and Taxation Code, to read:

24352.5. (a) Under regulations prescribed by the Franchise Tax Board, a taxpayer may, for purposes of computing the allowance under Section 24349 with respect to personal property, reduce the amount taken into account as salvage value by an amount which does not exceed 10 percent of the basis of such property (as determined under Section 24353 as of the time as of which such salvage value is required to be determined).

(b) For purposes of this section, the term "personal property" means depreciable personal property (other than livestock) with a useful life of three years or more.

SEC. 260. Section 24354.1 is added to the Revenue and Taxation Code, to read:

24354.1. (a) Except as provided in subdivisions (b) and (c) of this section, in the case of property of the type defined in Section 18214 of the Personal Income Tax Law, subdivision (b) of Section 24349 shall not apply and the term "reasonable allowance" as used in subdivision (a) of Section 24349 shall include an allowance computed in accordance with regulations prescribed by the Franchise Tax Board, under any of the following methods:

(1) The straight line method,

(2) The declining balance method, using a rate not exceeding 150 percent of the rate which would have been used had the annual allowance been computed under the method described in paragraph (1), or

(3) Any other consistent method productive of an annual allowance which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the income year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in paragraph (2).

Nothing in this subdivision shall be construed to limit or reduce an allowance otherwise allowable under subdivision (a) of Section 24349 except where allowable solely by reason of paragraph (2), (3), or (4) of subdivision (b) of Section 24349.

(b) (1) Subdivision (a) of this section shall not apply, and subdivision (b) of Section 24349 shall apply in any income year, to a building or structure—

(A) Which is residential rental property located within the United States or any of its possessions, or located within a foreign country if a method of depreciation for such property comparable to the method provided in paragraph (2) or (3) of subdivision (b) of Section 24349 is provided by the laws of such country and

(B) The original use of which commences with the taxpayer. In the case of residential rental property located within a foreign country, the original use of which commences with the taxpayer, if the allowance for depreciation provided under the laws of such country for such property is greater than that provided under subdivision (a) of this section, but less than that provided under subdivision (b) of Section 24349, the allowance for depreciation under subdivision (b) of Section 24349 shall be limited to the amount provided under the laws of such country.

(2) For purposes of paragraph (1), a building or structure shall be considered to be residential rental property for any income year only if 80 percent or more of the gross rental income from such building or structure for such year is rental income from dwelling units (within the meaning of paragraph (3) of subdivision (c) of Section 24354.2. For purposes of the preceding sentence, if any portion of such building or structure is occupied by the taxpayer, the gross rental income from such building or structure shall include the rental value of the portion so occupied.

(3) Any change in the computation of the allowance for depreciation for any income year, permitted or required by reason of the application of paragraph (1), shall not be considered a change in a method of accounting.

(c) Subdivision (a) of this section shall not apply, and subdivision (b) of Section 24349 shall apply, in the case of property—

(1) The construction, reconstruction, or erection of which was begun before January 1, 1971, or

(2) For which a written contract entered into before January 1, 1971, with respect to any part of the construction, reconstruction, or erection or for the permanent financing thereof, was on January 1, 1971, and at all times thereafter, binding on the taxpayer.

(d) Except as provided in subdivision (e), in the case of property of the type defined in Section 18214 of the Personal Income Tax Law acquired after December 31, 1970, the original use of which does not commence with the taxpayer, the allowance for depreciation under Sections 24349 to 24354.2, inclusive, shall be limited to an amount computed under—

(1) The straight line method, or

(2) Any other method determined by the Franchise Tax Board to result in a reasonable allowance under subdivision (a) of Section 24349, not including—

(A) Any declining balance method,

(B) The sum of the years-digits method, or

(C) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 24349 or paragraph (3) of subdivision (a) of this section.

(e) In the case of property of the type defined in Section 18214 of the Personal Income Tax Law which is residential rental property (as defined in paragraph (2) of subdivision (b)) acquired after December 31, 1970, having a useful life of 20 years or more, the original use of which does not commence with the taxpayer, the allowance for depreciation under Sections 24349 to 24354.2, inclusive, shall be limited to an amount computed under—

(1) The straight line method,

(2) The declining balance method, using a rate not exceeding 125 percent of the rate which would have been used had the annual allowance been computed under the method described in paragraph (1), or

(3) Any other method determined by the Franchise Tax Board to result in a reasonable allowance under subdivision (a) of Section 24349, not including—

(A) The sum of the years-digits method,

(B) Any declining balance method using a rate in excess of the rate permitted under paragraph (2), or

(C) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 24349 or paragraph (3) of subdivision (a) of this section.

(f) (1) For purposes of subdivisions (b), (d), and (e), if property of the type defined in Section 18214 of the Personal Income Tax Law which is not property described in subdivision (a) of Section 24349 when its original use

commences, becomes property described in subdivision (a) of Section 24349 after December 31, 1970, such property shall not be treated as property the original use of which commences with the taxpayer.

(2) Subdivisions (d) and (e) shall not apply in the case of property of the type defined in Section 18214 of the Personal Income Tax Law, acquired after December 31, 1970, pursuant to a written contract for the acquisition of such property or for the permanent financing thereof, which was, on December 31, 1970, and at all times thereafter, binding on the taxpayer.

(g) This section shall not apply to public utility property which means property used predominantly in the trade or business of the furnishing or sale of—

(1) Electrical energy, water, or sewage disposal services,

(2) Gas or steam through a local distribution system,

(3) Telephone services, or other communication services if furnished or sold by the Communications Satellite Corporation for purposes authorized by the Communications Satellite Act of 1962 (47 U.S.C. 701), or

(4) Transportation of gas or steam by pipeline,

if the rates for such furnishing or sale, as the case may be, have been established or approved by a state or political subdivision thereof, by any agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any state or political subdivision thereof.

SEC. 261. Section 24354.2 is added to the Revenue and Taxation Code, to read:

24354.2. (a) The taxpayer may elect, in accordance with regulations prescribed by the Franchise Tax Board, to compute the depreciation deduction provided by subdivision (a) of Section 24349 attributable to rehabilitation expenditures incurred with respect to low-income rental housing after December 31, 1970, and before January 1, 1975, under the straight line method using a useful life of 60 months and no salvage value. Such method shall be in lieu of any other method of computing the depreciation deduction under subdivision (a) of Section 24349, and in lieu of any deduction for amortization, for such expenditures.

(b) (1) The aggregate amount of rehabilitation expenditures paid or incurred by the taxpayer with respect to any dwelling unit in any low-income rental housing which may be taken into account under subdivision (a) shall not exceed fifteen thousand dollars ($15,000).

(2) Rehabilitation expenditures paid or incurred by the taxpayer in any income year with respect to any dwelling unit in any low-income rental housing shall be taken into account under subdivision (a) only if over a period of two consecutive

years, including the income year, the aggregate amount of such expenditures exceeds three thousand dollars ($3,000).

(c) For purposes of this section:

(1) The term "rehabilitation expenditures" means amounts chargeable to capital account and incurred for property or additions or improvements to property (or related facilities) with a useful life of five years or more, in connection with the rehabilitation of an existing building for low-income rental housing; but such term does not include the cost of acquisition of such building or any interest therein,

(2) The term "low-income rental housing" means any building the dwelling units in which are held for occupancy on a rental basis by families and individuals of low or moderate income, as determined by the Franchise Tax Board in a manner consistent with the policies of the Housing and Urban Development Act of 1968 pursuant to regulations prescribed under this section,

(3) The term "dwelling unit" means a house or an apartment used to provide living accommodations in a building or structure, but does not include a unit in a hotel, motel, inn, or other establishment more than one-half of the units in which are used on a transient basis.

SEC. 262. Section 24355 of the Revenue and Taxation Code is repealed.

SEC. 263. Section 24357 of the Revenue and Taxation Code is amended to read:

24357. (a) There shall be allowed as a deduction any charitable contribution (as defined in Section 24359) payment of which is made within the income year. A charitable contribution shall be allowable as a deduction only if verified under regulations prescribed by the Franchise Tax Board.

(b) In the case of a bank or corporation reporting its income on the accrual basis, if—

(1) The board of directors authorizes a charitable contribution during any income year; and

(2) Payment of such contribution is made after the close of such income year and on or before the 15th day of the third month following the close of such income year,

then the bank or corporation may elect to treat such contribution as paid during such income year. The election may be made only at the time of the filing of the return for such income year, and shall be signified in such manner as the Franchise Tax Board shall by regulations prescribe.

(c) For purposes of this section, payment of a charitable contribution which consists of a future interest in tangible personal property shall be treated as made only when all intervening interests in, and rights to the actual possession or enjoyment of, the property have expired or are held by

persons other than the taxpayer or those standing in a relationship to the taxpayer described in Section 24428. For purposes of the preceding sentence, a fixture which is intended to be severed from the real property shall be treated as tangible personal property.

SEC. 264. Section 24357.1 is added to the Revenue and Taxation Code, to read:

24357.1. (a) The amount of any charitable contribution of property otherwise taken into account under Section 24357 shall be reduced by sum of the amount of gain if the property contributed had been sold by the taxpayer at its fair market value (determined at the time of such contribution).

(b) For purposes of subdivision (a), in the case of a charitable contribution of less than the taxpayer's entire interest in the property contributed, the taxpayer's adjusted basis in such property shall be allocated between the interest contributed and any interest not contributed in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 265. Section 24357.2 is added to the Revenue and Taxation Code, to read:

24357.2. (a) In the case of a contribution (not made by a transfer in trust) of an interest in property which consists of less than the taxpayer's entire interest in such property, a deduction shall be allowed under Section 24357 only to the extent that the value of the interest contributed would be allowable as a deduction under Section 24357 if such interest had been transferred in trust. For purposes of this subdivision, a contribution by a taxpayer of the right to use property shall be treated as a contribution of less than the taxpayer's entire interest in such property.

(b) Subdivision (a) shall not apply to a contribution of—

(1) A remainder interest in a personal residence or farm, or

(2) An undivided portion of the taxpayer's entire interest in property.

SEC. 266. Section 24357.3 is added to the Revenue and Taxation Code, to read:

24357.3. For purposes of Section 24357, in determining the value of a remainder interest in real property, depreciation (computed on the straight line method) and depletion of such property shall be taken into account, and such value shall be discounted at a rate of 6 percent per annum, except that the Franchise Tax Board may prescribe a different rate.

SEC. 267. Section 24357.4 is added to the Revenue and Taxation Code, to read:

24357.4. If, in connection with any charitable contribution, a liability is assumed by the recipient or by any other person, or if a charitable contribution is of property which is subject to a liability, then, to the extent necessary to avoid the

duplication of amounts, the amount taken into account for purposes of Section 24357 as the amount of the charitable contribution—

(a) Shall be reduced for interest (1) which has been paid (or is to be paid) by the taxpayer, (2) which is attributable to the liability, and (3) which is attributable to any period after the making of the contribution, and

(b) In the case of a bond, shall be further reduced for interest (1) which has been paid (or is to be paid) by the taxpayer on indebtedness incurred or continued to purchase or carry such bond, and (2) which is attributable to any period before the making of the contribution.

The reduction pursuant to subdivision (b) shall not exceed the interest (including interest equivalent) on the bond which is attributable to any period before the making of the contribution and which is not (under the taxpayer's method of accounting) includable in the gross income of the taxpayer for any taxable year. For purposes of this section, the term "bond" means any bond, debenture, note, or certificate or other evidence of indebtedness.

SEC. 268. Section 24357.5 is added to the Revenue and Taxation Code, to read:

24357.5. No deduction shall be allowed under Section 17214 for a contribution to or for the use of an organization or trust described in Section 4948(c) (4) of the Internal Revenue Code.

SEC. 269. Section 24359 of the Revenue and Taxation Code is amended to read:

24359. For purposes of Sections 24357 to 24359, inclusive, the term "charitable contribution" means a contribution or gift to or for the use of—

(a) A state, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

(b) A corporation, trust, or community chest, fund, or foundation—

(1) Created or organized in the United States or in any possession thereof, or under the law of the United States, any state, the District of Columbia, or any possession of the United States;

(2) Organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children or animals;

(3) No part of the net earnings of which inures to the benefit of any private shareholder or individual; and

(4) No substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in

(including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

A contribution or gift by a bank or corporation to a trust, chest, fund, or foundation shall be deductible by reason of this section only if it is to be used within the United States or any of its possessions exclusively for purposes specified in paragraph (2).

(c) A post or organization of war veterans, or an auxiliary unit or society of, or trust or foundation for, any such post or organization—

(1) Organized in the United States or any of its possessions, and

(2) No part of the net earnings of which inures to the benefit of any private shareholder or individual.

(d) A cemetery company owned and operated exclusively for the benefit of its members, or any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, if such company or corporation is not operated for profit and no part of the net earnings of such company or corporation inures to the benefit of any private shareholder or individual.

SEC. 270. Section 24372 of the Revenue and Taxation Code is repealed.

SEC. 271. Section 24372 is added to the Revenue and Taxation Code, to read:

24372. (a) Every taxpayer at its election, shall be entitled to a deduction with respect to the amortization of the amortizable basis of any certified pollution control facility (as defined in subdivision (d)), based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the income year, equal to the amortizable basis of the pollution control facility at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such amortizable basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any month shall be in lieu of the depreciation deduction with respect to such pollution control facility for such month provided by Section 24349. The 60-month period shall begin, as to any pollution control facility, at the election of the taxpayer, with the month following the month in which such facility was completed or acquired, or with the succeeding income year.

(b) The election of the taxpayer to take the amortization deduction and to begin the 60-month period with the month following the month in which the facility is completed or acquired, or with the income year succeeding the income

year in which such facility is completed or acquired, shall be made by filing with the Franchise Tax Board in such manner, in such form, and within such time, as the Franchise Tax Board may by regulations prescribe, a statement of such election.

(c) A taxpayer which has elected under subdivision (b) to take the amortization deduction provided in subdivision (a) may at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Franchise Tax Board before the beginning of such month. The depreciation deduction provided under Section 24349 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such pollution control facility.

(d) For purposes of this section—

(1) The term "certified pollution control facility" means a new identifiable treatment facility which is used, in connection with a plant or other property in operation before January 1, 1971, to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, or storing of pollutants, contaminants, wastes, or heat and which the State Department of Public Health has certified as having been constructed, reconstructed, erected, or acquired in conformity with the state program or requirements for abatement or control of water or atmospheric pollution or contamination.

(2) For purposes of paragraph (1), the term "new identifiable treatment facility" includes only tangible property (not including a building and its structural components, other than a building which is exclusively a treatment facility) which is of a character subject to the allowance for depreciation provided in Section 24349 which is identifiable as a treatment facility, and which—

(A) Is property—

(i) The construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1970, or

(ii) Acquired after December 31, 1970, if the original use of the property commences with the taxpayer and commences after such date, and

(B) Is placed in service by the taxpayer before January 1, 1975.

In applying this section in the case of property described in clause (i) of subparagraph (A), there shall be taken into account only that portion of the basis which is properly

attributable to construction, reconstruction, or erection after December 31, 1970.

(e) The State Department of Public Health shall not certify any property to the extent it appears that by reason of profits derived through the recovery of wastes or otherwise in the operation of such property, its costs will be recovered over its actual useful life.

(f) (1) For purposes of this section, the term "amortizable basis" means that portion of the adjusted basis (for determining gain) of a certified pollution control facility which may be amortized under this section.

(2) (A) If a certified pollution control facility has a useful life (determined as of the first day of the first month for which a deduction is allowable under this section) in excess of 15 years, the amortizable basis of such facility shall be equal to an amount which bears the same ratio to the portion of the adjusted basis of such facility, which would be eligible for amortization but for the application of this subparagraph, as 15 bears to the number of years of useful life of such facility.

(B) The amortizable basis of a certified pollution control facility with respect to which an election under this section is in effect shall not be increased, for purposes of this section, for additions or improvements after the amortization period has begun.

(g) The depreciation deduction provided by Section 24349 shall, despite the provisions of subdivision (a), be allowed with respect to the portion of the adjusted basis which is not the amortizable basis.

(h) In the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

SEC. 272. Section 24372.5 of the Revenue and Taxation Code is repealed.

SEC. 272.5. Section 24378 is added to the Revenue and Taxation Code, to read:

24378. (a) Amounts paid or incurred during the taxable year on account of a transfer, sale, or other disposition of a franchise, trademark, or trade name which are contingent on the productivity, use, or disposition of the franchise, trademark, or trade name transferred shall be allowed as a deduction.

(b) Any payment not described in subdivision (a) which is made in discharge of a principal sum agreed upon in the transfer agreement shall be allowed as a deduction—

(1) In the case of a single payment made in discharge of such principal sum, ratably over the taxable years in the period beginning with the taxable year in which the payment

is made and ending with the ninth succeeding taxable year or ending with the last taxable year beginning in the period of the transfer agreement, whichever period is shorter;

(2) In the case of a payment which is one of a series of approximately equal payments made in discharge of such principal sum, which are payable over—

(A) The period of the transfer agreement, or

(B) A period of more than 10 taxable years, whether ending before or after the end of the period of the transfer agreement,

in the taxable year in which the payment is made; and

(3) In the case of any other payment, in the taxable year or years specified in regulations prescribed by the Franchise Tax Board, consistently with the preceding provisions of this paragraph.

(c) This section shall not apply to the transfer of a franchise to engage in professional football, basketball, baseball, or other professional sport.

SEC. 273. Section 24379 is added to the Revenue and Taxation Code, to read:

24379. (a) If a compensatory amount which is included in gross income is received or accrued during the income year for a compensable injury, there shall be allowed as a deduction for the income year the amount of such compensatory amount.

(b) For purposes of this section, the term "compensable injury" means—

(1) Injuries sustained as a result of an infringement of a patent issued by the United States,

(2) Injuries sustained as a result of a breach of contract or a breach of fiduciary duty or relationship, or

(3) Injuries sustained in business, or to property, by reason of any conduct forbidden in the antitrust laws for which a civil action may be brought under Section 4 of the act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (commonly known as the Clayton Act).

(c) For purposes of this section, the term "compensatory amount" means the amount received or accrued during the income year as damages as a result of an award in, or in settlement of, a civil action for recovery for a compensable injury, reduced by any amounts paid or incurred in the income year in securing such award or settlement.

SEC. 275. Section 24422.5 of the Revenue and Taxation Code is amended to read:

24422.5. (a) Except as provided in subdivision (b), any amount (allowable as a deduction without regard to this section), which is attributable to the planting, cultivation, maintenance, or development of any citrus or almond grove

(or part thereof), and which is incurred before the close of the fourth income year beginning with the income year in which the trees were planted, shall be charged to capital account. For purposes of the preceding sentence, the portion of a citrus or almond grove planted in one income year shall be treated separately from the portion of such grove planted in another income year.

(b) Subdivision (a) shall not apply to amounts allowable as deductions (without regard to this section), and attributable to a citrus or almond grove (or part thereof) which was:

(1) Replanted after having been lost or damaged (while in the hands of the taxpayer), by reason of freeze, disease, drought, pests or casualty, or

(2) Planted or replanted prior to the enactment of this section with respect to citrus groves, or planted or replanted prior to the effective date of the amendments to this section at the 1971 Regular Session of the Legislature with respect to almond groves.

SEC. 276. Section 24437 is added to the Revenue and Taxation Code, to read:

24437. In case of a social club or other membership organization which is operated primarily to furnish services or goods to members and which is not exempt from taxation, deductions for the taxable year in furnishing services, insurance, goods, or other items of value to members shall be allowed only to the extent of income derived during such year from members or transactions with members (including income derived during such year from institutes or trade shows which are primarily for the education of members). If for any such taxable year such deductions exceed income, the excess shall be treated as a deduction attributable to furnishing services, insurance, goods, or other items of value to members paid or incurred in the succeeding taxable year.

This section shall not be applicable to any organization which is taxable as a bank, financial institution, or insurance company or is affiliated with such an organization, or an organization which has made an election before October 9, 1969, under Internal Revenue Code Section 456(c), or which for each day of any taxable year is a national securities exchange subject to regulation under the Security Exchange Act of 1934 or a contract market subject to regulation under the Commodity Exchange Act.

SEC. 277. Section 24438 is added to the Revenue and Taxation Code, to read:

24438. (a) No deduction shall be allowed for any interest paid or incurred by a taxpayer during the income year with respect to its corporate acquisition indebtedness to the extent that such interest exceeds—

(1) Five million dollars ($5,000,000), reduced by

(2) The amount of interest paid or incurred by such corporation during such year on obligations (A) issued after December 31, 1967, to provide consideration for an acquisition described in paragraph (1) of subdivision (b), but (B) which are not corporate acquisition indebtedness.

(b) For purposes of this section, the term "corporate acquisition indebtedness" means any obligation evidenced by a bond, debenture, note, or certificate or other evidence of indebtedness issued after October 9, 1969, by a corporation (hereinafter in this section referred to as "issuing corporation") if—

(1) Such obligation is issued to provide consideration for the acquisition of—

(A) Stock in another corporation (hereinafter in this section referred to as "acquired corporation"), or

(B) Assets of another corporation (hereinafter in this section referred to as "acquired corporation") pursuant to a plan under which at least two-thirds (in value) of all the assets (excluding money) used in trades and businesses carried on by such corporation are acquired,

(2) Such obligation is either—

(A) Subordinated to the claims of trade creditors of the issuing corporation generally, or

(B) Expressly subordinated in right of payment to the payment of any substantial amount of unsecured indebtedness, whether outstanding or subsequently issued, of the issuing corporation,

(3) The bond or other evidence of indebtedness is either—

(A) Convertible directly or indirectly into stock of the issuing corporation, or

(B) Part of an investment unit or other arrangement which includes, in addition to such bond or other evidence of indebtedness, an option to acquire, directly or indirectly, stock in the issuing corporation, and

(4) As of a day determined under paragraph (1) of subdivision (c) either—

(A) The ratio of debt to equity (as defined in paragraph (2) of subdivision (c)) of the issuing corporation exceeds 2 to 1, or

(B) The projected earnings (as defined in paragraph (3) of subdivision (c)), do not exceed three times the annual interest to be paid or incurred (determined under paragraph (4) of subdivision (c)).

(c) For purposes of paragraph (4) of subdivision (b)—

(1) Determinations are to be made as of the last day of any income year of the issuing corporation in which it issues any obligation to provide consideration for an acquisition described in paragraph (1) of subdivision (b) of stock in, or assets of, the acquired corporation.

(2) The term "ratio of debt to equity" means the ratio which the total indebtedness of the issuing corporation bears to the sum of its money and all its other assets (in an amount equal to their adjusted basis for determining gain) less such total indebtedness.

(3) (A) The term "projected earnings" means the "average annual earnings" (as defined in subparagraph (B)) of—

(i) The issuing corporation only, if clause (ii) does not apply, or

(ii) Both the issuing corporation and the acquired corporation, in any case where the issuing corporation has acquired control (as defined in Section 24564), or has acquired substantially all of the properties of the acquired corporation.

(B) The average annual earnings referred to in subparagraph (A) is, for any corporation, the amount of its earnings and profits for any three-year period ending with the last day of an income year of the issuing corporation described in paragraph (1), computed without reduction for—

(i) Interest paid or incurred,

(ii) Depreciation or amortization allowed under this part,

(iii) Liability for tax under this part, and

(iv) Distributions to which subdivision (a) of Section 24453 applies (other than such distributions from the acquired to the issuing corporation); and reduced to an annual average for such three-year period pursuant to regulations prescribed by the Franchise Tax Board. Such regulations shall include rules for cases where any corporation was not in existence for all of such three-year period or such period includes only a portion of an income year of any corporation.

(4) The term "annual interest to be paid or incurred" means—

(A) If subparagraph (B) does not apply, the annual interest to be paid or incurred by the issuing corporation only, determined by reference to its total indebtedness outstanding, or

(B) If projected earnings are determined under clause (ii) of subparagraph (A) of paragraph (3), the annual interest to be paid or incurred by both the issuing corporation and the acquired corporation, determined by reference to their combined total indebtedness outstanding.

(5) With respect to any corporation which is a bank or is primarily engaged in a lending or finance business—

(A) In determining under paragraph (2) the ratio of debt to equity of such corporation (or of the affiliated group of which such corporation is a member), the total indebtedness of such corporation (and the assets of such corporation) shall be reduced by an amount equal to the

total indebtedness owed to such corporation which arises out of the banking business of such corporation, or out of the lending or finance business of such corporation, as the case may be;

(B) In determining under paragraph (4) the annual interest to be paid or incurred by such corporation (or by the issuing and acquired corporations referred to in subparagraph (B) of paragraph (4) or by the affiliated group of which such corporation is a member) the amount of such interest (determined without regard to this paragraph) shall be reduced by an amount which bears the same ratio to the amount of such interest as the amount of the reduction for the income year under subparagraph (A) bears to the total indebtedness of such corporation; and

(C) In determining under subparagraph (B) of paragraph (3), the average annual earnings, the amount of the earnings and profits for the three-year period shall be reduced by the sum of the reductions under subparagraph (B) for such period.

For purposes of this paragraph, the term "lending or finance business" means a business of making loans or purchasing or discounting accounts receivable, notes, or installment obligations

(d) In applying this section—

(1) The deduction of interest on any obligation shall not be disallowed under subdivision (a) before the first income year of the issuing corporation as of the last day of which the application of either subparagraph (A) or subparagraph (B) of paragraph (4) of subdivision (b) results in such obligation being corporate acquisition indebtedness.

(2) Except as provided in paragraphs (3), (4), and (5), if an obligation is determined to be corporate acquisition indebtedness as of the last day of any income year of the issuing corporation, it shall be corporate acquisition indebtedness for such income year and all subsequent income years.

(3) If an obligation is determined to be corporate acquisition indebtedness as of the close of an income year of the issuing corporation in which clause (i) of subparagraph (A) of paragraph (3) of subvision (c) applied, but would not be corporate acquisition indebtedness if the determination were made as of the close of the first income year of such corporation thereafter in which clause (ii) of subparagraph (A) of paragraph (3) of subdivision (c) could apply, such obligation shall be considered not to be corporate acquisition indebtedness for such later income year and all income years thereafter.

(4) If an obligation which has been determined to be corporate acquisition indebtedness for any income year

would not be such indebtedness for each of any three consecutive income years thereafter if paragraph (4) of subdivision (b) were applied as of the close of each of such three years, then such obligation shall not be corporate acquisition indebtedness for all income years after such three consecutive income years.

(5) In the case of obligations issued to provide consideration for the acquisition of stock in another corporation, such obligations shall be corporate acquisition indebtedness for an income year only if the issuing corporation owns 5 percent or more of the total combined voting power of all classes of stock entitled to vote of such other corporation.

(e) An acquisition of stock of a corporation of which the issuing corporation is in control (as defined in Section 24564) in a transaction in which gain or loss is not recognized shall be deemed an acquisition described in paragraph (1) of subdivision (b) only if immediately before such transaction (1) the acquired corporation was in existence, and (2) the issuing corporation was not in control (as defined in Section 24564) of such corporation.

(f) For purposes of this section, the term "corporate acquisition indebtedness" does not include any indebtedness issued to any person to provide consideration for the acquisition of stock in, or assets of, any foreign corporation substantially all of the income of which, for the three-year period ending with the date of such acquisition or for such part of such period as the foreign corporation was in existence, is from sources without the United States.

(g) In any case in which the issuing corporation is a member of an affiliated group, the application of this section shall be determined, pursuant to regulations prescribed by the Franchise Tax Board, by treating all of the members of the affiliated group in the aggregate as the issuing corporation, except that the ratio of debt to equity of, projected earnings of, and annual interest to be paid or incurred by any corporation (other than the issuing corporation determined without regard to this subdivision) shall be included in the determinations required under subparagraphs (A) and (B) of paragraph (4) of subdivision (b) as of any day only if such corporation is a member of the affiliated group on such day, and, in determining projected earnings of such corporation under paragraph (3) of subdivision (c), there shall be taken into account only the earnings and profits of such corporation for the period during which it was a member of the affiliated group. For purposes of this section, the term "affiliated group" has the meaning assigned to such term by Section 1504 of the Internal Revenue Code except that all corporations other than the acquired corporation shall be treated as

includable corporations and the acquired corporation shall not be treated as an includable corporation.

(h) For purposes of this section—

(1) Any extension, renewal, or refinancing of an obligation evidencing a preexisting indebtedness shall not be deemed to be the issuance of a new obligation.

(2) Any obligation which is corporate acquisition indebtedness of the issuing corporation is also corporate acquisition indebtedness of any corporation which becomes liable for such obligation as guarantor, endorser, or indemnitor or which assumes liability for such obligation in any transaction.

(i) No inference shall be drawn from any provision in this section that any instrument designated as a bond, debenture, note, or certificate or other evidence of indebtedness by its issuer represents an obligation or indebtedness of such issuer in applying any other provision of this part.

(j) The provisions of this section shall apply to the determination of the allowability of the deduction of interest paid or incurred with respect to indebtedness incurred after December 31, 1970.

SEC. 278. Section 24439 is added to the Revenue and Taxation Code, to read:

24439. (a) No deduction shall be allowed to the issuing corporation for any premium paid or incurred upon the repurchase of a bond, debenture, note, or certificate or other evidence of indebtedness which is convertible into the stock of the issuing corporation, or a corporation in control of, or controlled by, the issuing corporation, to the extent the repurchase price exceeds an amount equal to the adjusted issue price plus a normal call premium on bonds or other evidences of indebtedness which are not convertible. The preceding sentence shall not apply to the extent that the corporation can demonstrate to the satisfaction of the Franchise Tax Board that such excess is attributable to the cost of borrowing and is not attributable to the conversion feature.

(b) For purposes of subdivision (a)—

(1) The adjusted issue price is the issue price (as defined in Section 18184) increased by any amount of discount deducted before repurchase, or, in the case of bonds or other evidences of indebtedness issued after February 28, 1913, decreased by any amount of premium included in gross income before repurchase by the issuing corporation.

(2) The term "control" has the meaning assigned to such term by Section 24564.

(c) The provisions of this section shall not apply to a convertible bond or other convertible evidence of indebtedness repurchased pursuant to a binding obligation

incurred on or before April 22, 1969, to repurchase such bond or other evidence of indebtedness at a specified call premium, but no inference shall be drawn from the fact that this section does not apply to the repurchase of such convertible bond or other convertible evidence of indebtedness.

SEC. 279. Section 24452 of the Revenue and Taxation Code is amended to read:

24452. (a) For purposes of Sections 24451 to 24454, inclusive, the amount of any distribution shall be the amount of money received, plus whichever of the following is the lesser:

(1) The fair market value of the other property received; or

(2) The adjusted basis (in the hands of the distributing bank or corporation immediately before the distribution) of the other property received, increased in the amount of gain to the distributing bank or corporation which is recognized under Section 24482, 24483, or 24483.5 or Section 17417 of the Personal Income Tax Law.

(b) The amount of any distribution determined under subdivision (a) shall be reduced (but not below zero) by—

(1) The amount of any liability of the bank or corporation assumed by the shareholder in connection with the distribution, and

(2) The amount of any liability to which the property received by the shareholder is subject immediately before, and immediately after, the distribution.

(c) For purposes of Sections 24451 to 24454, inclusive, fair market value shall be determined as of the date of the distribution.

SEC. 280. Section 24454 of the Revenue and Taxation Code is amended to read:

24454. The basis of property received in a distribution to which Section 24451 applies shall be whichever of the following is the lesser:

(a) The fair market value of such property; or

(b) The adjusted basis (in the hands of the distributing bank or corporation immediately before the distribution) of such property, increased in the amount of gain to the distributing bank or corporation which is recognized under Section 24482, 24483, or 24483.5 or Section 17417 of the Personal Income Tax Law.

SEC. 281. Section 24463 of the Revenue and Taxation Code is amended to read:

24463. (a) Except as otherwise provided in this section, gross income does not include the amount of any distribution of the stock of a corporation made by such corporation to its shareholders with respect to its stock.

(b) Subdivision (a) shall not apply to a distribution by a

corporation of its stock, and the distribution shall be treated as a distribution of property to which Sections 24451 to 24454, inclusive, apply—

(1) If the distribution is, at the election of any of the shareholders (whether exercised before or after the declaration thereof), payable either—

(A) In its stock, or

(B) In property.

(2) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of property by some shareholders, and

(B) An increase in the proportionate interests of other shareholders in the assets or earnings and profits of the corporation.

(3) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of preferred stock by some common shareholders, and

(B) The receipt of common stock by other common shareholders.

(4) If the distribution is with respect to preferred stock, other than an increase in the conversion ratio of convertible preferred stock made solely to take account of a stock dividend or stock split with respect to the stock into which such convertible stock is convertible.

(5) If the distribution is of convertible preferred stock, unless it is established to the satisfaction of the Franchise Tax Board that such distribution will not have the result described in paragraph (2).

(c) For purposes of this section and Sections 24451 to 24454, inclusive, the Franchise Tax Board shall prescribe regulations under which a change in conversion ratio, a change in redemption price, a difference between redemption price and issue price, a redemption which is treated as a distribution to which Sections 24451 to 24454, inclusive, apply, or any transaction (including a recapitalization) having a similar effect on the interest of any shareholder shall be treated as a distribution with respect to any shareholder whose proportionate interest in the earnings and profits or assets of the corporation is increased by such change, difference, redemption, or similar transaction.

(d) (1) For purposes of this section, the term "stock" includes rights to acquire such stock.

(2) For purposes of subdivisions (b) and (c), the term "shareholder" includes a holder of rights or of convertible securities.

(e) Except as otherwise provided in this section, the amendments made to this section at the 1971 Regular Session of the Legislature shall apply with respect to distributions (or

deemed distributions) made after December 31, 1970, in income years ending after that date.

(f) (1) Paragraph (2) of subdivision (b) of this section shall not apply to a distribution (or deemed distribution) of stock made before January 1, 1991, with respect to stock (A) outstanding on January 10, 1969, (B) issued pursuant to a contract binding on January 10, 1969, on the distributing corporation, (C) which is additional stock of that class of stock which (as of January 10, 1969) had the largest fair market value of all classes of stock of the corporation (taking into account only stock outstanding on January 10, 1969, or issued pursuant to a contract binding on January 10, 1969), (D) described in subparagraph (C) of paragraph (3), or (E) issued in a prior distribution described in subparagraph (A), (B), (C), or (D).

(2) Paragraph (1) shall apply only if—

(A) The stock as to which there is a receipt of property was outstanding on January 10, 1969 (or was issued pursuant to a contract binding on January 10, 1969, on the distributing corporation), and

(B) If such stock and any stock described in subparagraph (A) of paragraph (1) were also outstanding on January 10, 1968, a distribution of property was made on or before January 10, 1969, with respect to such stock, and a distribution of stock was made on or before January 10, 1969, with respect to such stock described in subparagraph (A) of paragraph (1).

(3) Paragraph (1) shall cease to apply when at any time after October 9, 1969, the distributing corporation issues any of its stock (other than in a distribution of stock with respect to stock of the same class) which is not—

(A) Nonconvertible preferred stock,

(B) Additional stock of that class of stock which meets the requirements of subparagraph (C) of paragraph (1), or

(C) Preferred stock which is convertible into stock which meets the requirements of subparagraph (C) of paragraph (1) at a fixed conversion ratio which takes account of all stock dividends and stock splits with respect to the stock into which such convertible stock is convertible.

(4) For purposes of this subdivision, the term "stock" includes rights to acquire such stock.

(g) In cases to which Treasury Decision 6990 (promulgated January 10, 1969) would not have applied, in applying subdivisions (c) and (f), April 22, 1969, shall be substituted for January 10, 1969.

(h) Paragraph (4) of subdivision (b) of this section shall not apply to any distribution (or deemed distribution) with respect to preferred stock (including any increase in the conversion ratio of convertible stock) made before January 1, 1991, pursuant to the terms relating to the issuance of such

stock which were in effect on January 10, 1969.

(i) With respect to distributions made or considered as made after January 10, 1969, in income years ending after such date, to the extent that the amendments made by this act do not apply by reason of subdivision (f), (g), or (h) of this section, Section 24463 (as in effect before amendment of this section at the 1971 Regular Session of the Legislature) shall continue to apply.

SEC. 282. Section 24483.5 is added to the Revenue and Taxation Code, to read:

24483.5. (a) (1) If a corporation distributes property (other than an obligation of such corporation) to a shareholder in a redemption (to which Article 1 (commencing with Section 24451) applies) of part or all of his stock in such corporation, and

(2) The fair market value of such property exceeds its adjusted basis (in the hands of the distributing corporation), then a gain shall be recognized to the distributing corporation in an amount equal to such excess as if the property distributed had been sold at the time of the distribution. Sections 24482 and 24483 shall not apply to any distribution to which this section applies.

(b) Subdivision (a) shall not apply to—

(1) A distribution in complete redemption of all of the stock of a shareholder who, at all times within the 12-month period ending on the date of such distribution, owns at least 10 percent in value of the outstanding stock of the distributing corporation, but only if the redemption qualifies under paragraph (3) of subdivision (b) of Section 24455 (determined without the application of clause (ii) of subparagraph (A) of paragraph (2) of subdivision (c) of Section 24455);

(2) A distribution of stock or an obligation of a corporation—

(A) Which is engaged in at least one trade or business,

(B) Which has not received property constituting a substantial part of its assets from the distributing corporation, in a transaction to which Section 24521 applied or as a contribution to capital, within the five-year period ending on the date of the distribution, and

(C) At least 50 percent in value of the outstanding stock of which is owned by the distributing corporation at any time within the nine-year period ending one year before the date of the distribution;

(3) A distribution before December 1, 1974, of stock of a corporation substantially all of the assets of which the distributing corporation (or a corporation which is a member of the same affiliated group (as defined in Section 23361) as the distributing corporation) held on November 30, 1969, if

such assets constitute a trade or business which has been actively conducted throughout the one-year period ending on the date of the distribution;

(4) A distribution of stock or securities pursuant to the terms of a final judgment rendered by a court with respect to the distributing corporation in a court proceeding under the Sherman Act (26 Stat. 209; 15 U.S.C. 1–7) or the Clayton Act (38 Stat. 730; 15 U.S.C. 12–27), or both, to which the United States is a party, but only if the distribution of such stock or securities in redemption of the distributing corporation's stock is in furtherance of the purposes of the judgment;

(5) A distribution to the extent that Section 17329 of the Personal Income Tax Law (relating to distributions in redemption of stock to pay death taxes) applies to such distribution;

(6) A distribution by a corporation to which Section 23701m (relating to and including regulated investment companies) applies, if such distribution is in redemption of the stock upon the demand of the shareholder;

(7) A distribution by a corporation to which Section 18145 of the Personal Income Tax Law or Section 24999 (relating to bank holding companies) applies.

(c) (1) Except as to distributions described in paragraphs (2) and (3), this section and the amendments to paragraph (2) of subdivision (a) of Section 24452, subdivision (b) of Section 24454, and subdivision (c) of Section 24486 at the 1971 Regular Session of the Legislature shall apply with respect to distributions after December 31, 1970.

(2) A distribution by a corporation of property (held on December 1, 1969, by the distributing corporation or a corporation which was a wholly owned subsidiary of the distributing corporation on such date) in redemption of stock outstanding on November 30, 1969, which is redeemed and canceled before July 31, 1971, if—

(A) Such redemption is pursuant to a resolution adopted before November 1, 1969, by the board of directors authorizing the redemption of a specific amount of stock constituting more than 10 percent of the outstanding stock of the corporation at the time of the adoption of such resolution; and

(B) More than 40 percent of the stock authorized to be redeemed pursuant to such resolution was redeemed before December 30, 1969, and more than one-half of the stock so redeemed was redeemed with property other than money.

(3) A distribution of stock by a corporation organized prior to December 1, 1969, for the principal purpose of providing an equity participation plan for employees of the corporation whose stock is being distributed (hereinafter referred to as the "employer corporation") if—

(A) The stock being distributed was owned by the distributing corporation on November 30, 1969.

(B) The stock being redeemed was acquired before January 1, 1973, pursuant to such equity participation plan by the shareholder presenting such stock for redemption (or by a predecessor of such shareholder),

(C) The employment of the shareholder presenting the stock for redemption (or the predecessor of such shareholder) by the employer corporation commenced before January 1, 1971,

(D) At least 90 percent in value of the assets of the distributing corporation on November 30, 1969, consisted of common stock of the employer corporation, and

(E) At least 50 percent of the outstanding voting stock of the employer corporation is owned by the distributing corporation at any time within the nine-year period ending one year before the date of such distribution.

SEC. 283. Section 24486 of the Revenue and Taxation Code is amended to read:

24486. In making the adjustments to the earnings and profits of a corporation under Section 24484 or 24485, proper adjustment shall be made for—

(a) The amount of any liability to which the property distributed is subject,

(b) The amount of any liability of the corporation assumed by a shareholder in connection with the distribution, and

(c) Any gain to the corporation recognized under Section 24482, 24483, or 24483.5 or Section 17417 of the Personal Income Tax Law.

SEC. 284. Section 24491.1 is added to the Revenue and Taxation Code, to read:

24491.1 (a) For purposes of computing the earnings and profits of a corporation for any income year beginning after June 30, 1972, the allowance for depreciation (and amortization, if any) shall be deemed to be the amount which would be allowable for such year if the straight line method of depreciation had been used for each income year beginning after June 30, 1972.

(b) If for any income year beginning after June 30, 1972, a method of depreciation was used by the taxpayer which the Franchise Tax Board has determined results in a reasonable allowance under subdivision (a) of Section 24349 or paragraph (3) of subdivision (a) of Section 24354.1; and which is not—

(1) A declining balance method,

(2) The sum of the years-digits method, or

(3) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 24349,

then the adjustment to earnings and profits for depreciation for such year shall be determined under the method so used (in lieu of under the straight line method).

SEC. 285. Section 24562 of the Revenue and Taxation Code is amended to read:

24562. (a) For purposes of Chapters 8 (commencing with Section 24451) and 9 (commencing with Section 24501) and this chapter, the term "reorganization" means—

(1) A statutory merger or consolidation;

(2) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of stock of another corporation if, immediately after the acquisition, the acquiring corporation has control of such other corporation (whether or not such acquiring corporation had control immediately before the acquisition);

(3) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of substantially all of the properties of another corporation, but in determining whether the exchange is solely for stock the assumption by the acquiring corporation of a liability of the other, or the fact that property acquired is subject to a liability, shall be disregarded;

(4) A transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor, or one or more of its shareholders (including persons who were shareholders immediately before the transfer), or any combination thereof, is in control of the corporation to which the assets are transferred; but only if, in pursuance of the plan, stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under Section 24531, 24533, or 24535;

(5) A recapitalization; or

(6) A mere change in identity, form, or place of organization, however effected.

(b) (1) If a transaction is described in both paragraph (3) and paragraph (4) of subdivision (a), then, for purposes of this chapter, such transaction shall be treated as described only in paragraph (4) of subdivision (a).

(2) If—

(A) One corporation acquires substantially all of the properties of another corporation;

(B) The acquisition would qualify under paragraph (3) of subdivision (a) but for the fact that the acquiring corporation exchanges money or other property in addition to voting stock; and

(C) The acquiring corporation acquires, solely for voting stock described in paragraph (3) of subdivision (a), property of the other corporation having a fair market value which is at least 80 percent of the fair market value of all of the property of the other corporation;

then such acquisition shall (subject to paragraph (1) of this subdivision) be treated as qualifying under paragraph (3) of subdivision (a). Solely for the purpose of determining whether subparagraph (C) of the preceding sentence applies, the amount of any liability assumed by the acquiring corporation, and the amount of any liability to which any property acquired by the acquiring corporation is subject, shall be treated as money paid for the property.

(3) A transaction otherwise qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) shall not be disqualified by reason of the fact that part or all of the assets or stock which were acquired in the transaction are transferred to a corporation controlled by the corporation acquiring such assets or stock.

(4) The acquisition by one corporation, in exchange for stock of a corporation (referred to in this paragraph as "controlling corporation") which is in control of the acquiring corporation, of substantially all of the properties of another corporation which in the transaction is merged into the acquiring corporation shall not disqualify a transaction under paragraph (1) of subdivision (a), if—

(A) Such transaction would have qualified under paragraph (1) of subdivision (a) if the merger had been into the controlling corporation, and

(B) No stock of the acquiring corporation is used in the transaction.

(5) A transaction otherwise qualifying under paragraph (1) of subdivision (a) shall not be disqualified by reason of the fact that stock of a corporation (referred to in this paragraph as the "controlling corporation") which before the merger was in control of the merged corporation is used in the transaction, if—

(A) After the transaction, the corporation surviving the merger holds substantially all of its properties and of the properties of the merged corporation (other than stock of the controlling corporation distributed in the transaction); and

(B) In the transaction, former shareholders of the surviving corporation exchanged, for an amount of voting stock of the controlling corporation, an amount of stock in the surviving corporation which constitutes control of such corporation.

(c) The amendments made to this section by the 1971 Regular Session of the Legislature shall apply to statutory mergers occurring after December 31, 1970.

SEC. 286. Section 24563 of the Revenue and Taxation Code is amended to read:

24563. For purposes of this article, the term "a party to a reorganization" includes—

(a) A corporation resulting from a reorganization; and

(b) Both corporations, in the case of a reorganization resulting from the acquisition by one corporation of stock or properties of another.

In the case of a reorganization qualifying under paragraph (2) or paragraph (3) of subdivision (a) of Section 24562, if the stock exchanged for the stock or properties is stock of a corporation which is in control of the acquiring corporation, the term "a party to a reorganization" includes the corporation so controlling the acquiring corporation. In the case of a reorganization qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) of Section 24562 by by reason of paragraph (3) of subdivison (b) of Section 24562, the term "a party to a reorganization" includes the corporation controlling the corporation to which the acquired assets or stock are transferred.

In the case of a reorganization qualifying under paragraph (1) of subdivision (a) of Section 24562 by reason of paragraph (4) of subdivision (b) of Section 24562, the term "a party to a reorganization" includes the controlling corporation referred to in such paragraph (4) of subdivision (b) of Section 24562. In the case of a reorganization qualifying under paragraph (1) of subdivision (a) of Section 24562, by reason of paragraph (5) of subdivision (b) of Section 24562, the term "party to a reorganization" includes the controlling corporation referred to in paragraph (5) of subdivision (b) of Section 24562.

(c) The amendments made to this section by the 1971 Regular Session of the Legislature shall apply to statutory mergers occurring after December 31, 1970.

SEC. 287. Chapter 11.5 (commencing with Section 24580) is added to Part 11 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 11.5. STOCKS AS INDEBTEDNESS

24580. (a) The Franchise Tax Board is authorized to prescribe such regulations as may be necessary or appropriate to determine whether an interest in a corporation is to be treated for purposes of this part and Part 10, as stock or indebtedness.

(b) The regulations prescribed under this section shall set forth factors which are to be taken into account in determining with respect to a particular factual situation whether a debtor-creditor relationship exists or a

corporation-shareholder relationship exists. The factors so set forth in the regulations may include among other factors:

(1) Whether there is a written unconditional promise to pay on demand or on a specified date a sum certain in money in return for an adequate consideration in money or money's worth, and to pay a fixed rate of interest,

(2) Whether there is subordination to or preference over any indebtedness of the corporation,

(3) The ratio of debt to equity of the corporation,

(4) Whether there is convertibility into the stock of the corporation, and

(5) The relationship between holdings of stock in the corporation and holdings of the interest in question.

SEC. 288. Section 24668 of the Revenue and Taxation Code is amended to read:

24668. (a) Income from—

(1) A sale or other disposition of real property; or

(2) A casual sale or other casual disposition of personal property (other than property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the income year) for a price exceeding one thousand dollars ($1,000), may (under regulations prescribed by the Franchise Tax Board) be returned on the basis and in the manner prescribed in Section 24667.

(b) Subdivision (a) shall apply—

(1) In the case of a sale or other disposition during an income year beginning after December 31, 1954 (whether or not such income year ends after the date of enactment of this part), only if in the income year of the sale or other disposition—

(A) There are no payments; or

(B) The payments (exclusive of evidences of indebtedness of the purchaser) do not exceed 30 percent of the selling price.

(2) In the case of a sale or other disposition during an income year beginning before January 1, 1955, only if the income was (by reason of Section 25292 of the Bank and Corporation Tax Law of 1954) returnable on the basis and in the manner prescribed in Section 25292 of such law.

(c) In applying this section, a bond or other evidence of indebtedness which is payable on demand, or which is issued by a corporation or a government or political subdivision thereof (1) with interest coupons attached or in registered form (other than one in registered form which the taxpayer establishes will not be readily tradable in an established securities market), or (2) in any other form designed to render such bond or other evidence of indebtedness readily tradable in an established securities market, shall not be treated as an evidence of indebtedness of the purchaser.

(d) The provisions of subdivision (c) shall apply to sales or other dispositions occurring after December 31, 1970, which are not made pursuant to a binding written contract entered into on or before May 27, 1969.

SEC. 289. Section 24832 of the Revenue and Taxation Code is amended to read:

24832. In the case of oil and gas wells the allowance for depletion under Section 24835 shall be 22 percent of the gross income from the property during the income year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property. Such allowance shall not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance under Section 24835 be less than it would be if computed without reference to this section.

SEC. 290. Section 24837 of the Revenue and Taxation Code is amended to read:

24837. (a) In the case of expenditures paid or incurred during the income year for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral, and paid or incurred prior to the beginning of the development stage of the mine or deposit, in computing net income there shall be allowed as a deduction so much of such expenditures as does not exceed seventy-five thousand dollars ($75,000).

This section shall apply only with respect to the amount of such expenditures which, but for this section, would not be allowable as a deduction for the income year.

This section shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in Section 24349, but allowances for depreciation shall be considered, for the purposes of this section, as expenditures paid or incurred.

In no case shall this section apply with respect to amounts paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of oil or gas.

(b) If the taxpayer elects, in accordance with regulations prescribed by the Franchise Tax Board, to treat as deferred expenses any portion of the amount deductible for the income year under subdivision (a), such portion shall not be deductible in the manner provided in subdivision (a) but shall be deductible on a ratable basis as the units of produced ores or minerals discovered or explored by reason of such expenditures are sold. An election made under this subdivision for any income year shall be binding for such year.

(c) This section shall not apply to any amounts paid or incurred in any income year if in any four preceding years the

taxpayer, or any individual or corporation who has transferred to the taxpayer any mineral property under circumstances which make the provisions of Section 17883, 18135, 24552, 24553, 24577, 24575, 24931, 24988, or 25404 applicable to such transfer, has either (1) been allowed a deduction under subdivision (a) of this section or (2) made the election provided under subdivision (b) of this section.

(d) The amount of expenditures which are treated under subdivision (b) as deferred expenses shall be taken into account in computing the adjusted basis of the mine or deposit, but such amounts, and the adjustments to basis provided in subdivision (f) of Section 24916 shall be disregarded in determining the adjusted basis of the property for the purpose of computing a deduction for depletion under this chapter.

(e) The provisions of this section shall not apply with respect to expenditures paid or incurred after December 31, 1970.

SEC. 291. Section 24837.5 is added to the Revenue and Taxation Code, to read:

24837.5. (a) (1) At the election of the taxpayer, expenditures paid or incurred during the income year for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral, and paid or incurred before the beginning of the development stage of the mine, shall be allowed as a deduction in computing net income. This subdivision shall apply only with respect to the amount of such expenditures which, but for this subdivision, would not be allowable as a deduction for the income year. This subdivision shall not apply to expenditures for the acquisition or improvement of property of a character which is subject to the allowance for depreciation provided in Sections 24349 to 24354.2, inclusive, but allowances for depreciation shall be considered, for purposes of this subdivision, as expenditures paid or incurred. In no case shall this subdivision apply with respect to amounts paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of oil or gas or of any mineral with respect to which a deduction for percentage depletion is not allowable under Section 24832 or 24833.

(2) (A) Any election under this subdivision shall be made in such manner as the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for the income year may be made at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this part for the income year. Such an election for the income year shall apply to all expenditures described in paragraph (1) paid or incurred by

the taxpayer during the income year or during any subsequent income year.

(C) The statutory period for the assessment of any deficiency for any income year, to the extent such deficiency is attributable to an election or revocation of an election under this subdivision, shall not expire before the last day of the three-year period beginning on the day after the date on which such election or revocation of election is made; and such deficiency may be assessed at any time before the expiration of such three-year period, notwithstanding any law or rule of law which would otherwise prevent such assessment.

(b) (1) If, in any income year, any mine with respect to which expenditures were deducted pursuant to subdivision (a) reaches the producing stage, then—

(A) If the taxpayer so elects with respect to all such mines reaching the producing stage during the income year, it shall include in gross income for the income year an amount equal to the adjusted exploration expenditures with respect to such mines, and the amount so included in income shall be treated for purposes of this part as expenditures which (i) are paid or incurred on the respective dates on which the mines reach the producing state, and (ii) are properly chargeable to capital account.

(B) If subparagraph (A) does not apply with respect to any such mine, then the deduction for depletion under Section 24831 with respect to the property shall be disallowed until the amount of depletion which would be allowable but for this subparagraph equals the amount of the adjusted exploration expenditures with respect to such mine.

(2) (A) Any election under this subdivision shall be made in such manner as the Franchise Tax Board may by regulations prescribe.

(B) The election provided by paragraph (1) for any income year may be made or changed not later than the time prescribed by law for filing the return (including extensions thereof) for such income year.

(c) If an election has been made under subdivision (a) with respect to expenditures relating to a mining property and the taxpayer receives or accrues a bonus or a royalty with respect to such property, then the deduction for depletion under Section 24831 with respect to the bonus or royalty shall be disallowed until the amount of depletion which would be allowable but for this subdivision equals the amount of the adjusted exploration expenditures with respect to the property to which the bonus or royalty relates.

(d) (1) Except as otherwise provided in this subdivision if mining property is disposed of the lower of—

(A) The adjusted exploration expenditures with respect to

such property, or

(B) The excess of—

(i) The amount realized (in the case of a sale, exchange, or involuntary conversion), or the fair market value (in the case of any other disposition), over

(ii) The adjusted basis of such property,

shall be treated as gain from the sale or exchange of property. Such gain shall be recognized notwithstanding any other provision of this part.

(2) For purposes of paragraph (1)—

(A) In the case of the disposition of a portion of a mining property (other than an undivided interest), the entire amount of the adjusted exploration expenditures with respect to such property shall be treated as attributable to such portion to the extent of the amount of the gain to which paragraph (1) applies.

(B) In the case of the disposition of an undivided interest in a mining property (or a portion thereof), a proportionate part of the adjusted exploration expenditures with respect to such property shall be treated as attributable to such undivided interest to the extent of the amount of the gain to which paragraph (1) applies.

This paragraph shall not apply to any expenditure to the extent the taxpayer establishes to the satisfaction of the Franchise Tax Board that such expenditure relates neither to the portion (or interest therein) disposed of nor to any mine, in the property held by the taxpayer before the disposition which has reached the producing stage.

(3) This subdivision shall apply notwithstanding any other provisions of this part.

(e) (1) The basis of any property shall not be reduced by the amount of any depletion which would be allowable but for the application of this section.

(2) The Franchise Tax Board shall prescribe such regulation as it may deem necessary to provide for adjustments to the basis of property to reflect gain recognized under paragraph (1) of subdivision (d).

(f) For purposes of this section—

(1) The term "adjusted exploration expenditures" means, with respect to any property or mine—

(A) The amount of the expenditures allowed for the income year and all preceding income years as deductions under subdivision (a) to the taxpayer or any other person which are properly chargeable to such property or mine and which (but for the election under subdivision (a)) would be reflected in the adjusted basis of such property or mine, reduced by

(B) For the income year and for each preceding income year, the amount (if any) by which (i) the amount which

would have been allowable for percentage depletion under Section 24832 or 24833 but for the deduction of such expenditures, exceeds (ii) the amount allowable for depletion under Section 24831.

properly adjusted for any amounts included in gross income under subdivision (b) or (c) and for any amounts of gain to which subdivision (d) applied.

(2) The term "mining property" means any property (within the meaning of Section 614 of the Internal Revenue Code after the application of subsections (c) and (e) thereof) with respect to which any expenditures allowed as a deduction under paragraph (1) of subdivision (a) are properly chargeable.

(g) (1) In the case of any property or mine received by the taxpayer in a distribution with respect to part or all of its interest in a partnership, the adjusted exploration expenditures with respect to such property or mine include the adjusted exploration expenditures (not otherwise included under paragraph (1) subdivision (f) of this section) with respect to such property or mine immediately prior to such distribution, but the adjusted exploration expenditures with respect to any such property or mine shall be reduced by the amount of gain to which Section 17912 applied realized by the partnership (as constituted after the distribution) on the distribution of such property or mine.

(2) In the case of any property or mine held by a partnership after a distribution to a partner to which Section 17912 applied, the adjusted exploration expenditures with respect to such property or mine shall, under regulations prescribed by the Franchise Tax Board be reduced by the amount of gain to which Section 17912 applied realized by such partner with respect to such distribution on account of such property or mine.

(h) (1) Subdivision (a) shall apply to any amount paid or incurred after December 31, 1970, with respect to any deposit of ore or other mineral located outside the United States, only to the extent that such amount, when added to the amounts which are or have been deducted under subdivision (a) of this section and subdivision (a) of Section 24837 and the amounts which are or have been treated as deferred expenses under subdivision (b) of Section 24837 or the corresponding provisions of prior law, does not exceed four hundred thousand dollars ($400,000).

(2) For purposes of paragraph (1), there shall be taken into account amounts deducted and amounts treated as deferred expenses by—

(A) The taxpayer, and

(B) Any individual or corporation who has transferred to the taxpayer any mineral property.

(3) Subparagraph (B) of paragraph (2) shall apply with respect to all amounts deducted and all amounts treated as deferred expenses which were paid or incurred before the latest such transfer from the individual or corporation to the taxpayer. Subparagraph (B) of paragraph (2) shall apply only if the taxpayer acquired any mineral property from the individual or corporation under circumstances which make Section 18135 of the Personal Income Tax Law, or subdivision (b) of Section 24504, Section 24552, 24553, 24575, subdivision (a) of Section 24577, Section 24961, or 24988 apply to such transfer.

(i) This section shall apply with respect to exploration expenditures paid or incurred after December 31, 1970.

SEC. 292. Section 24840 is added to the Revenue and Taxation Code, to read:

24840. (a) A production payment carved out of mineral property shall be treated, for purposes of this chapter, as if it were a mortgage loan on the property, and shall not qualify as an economic interest in the mineral property. In the case of a production payment carved out for exploration or development of a mineral property, the preceding sentence shall apply only if and to the extent gross income from the property (for purposes of Sections 24832 to 24834, inclusive) would be realized, in the absence of the application of such sentence, by the person creating the production payment.

(b) A production payment retained on the sale of a mineral property shall be treated, for purposes of this chapter, as if it were a purchase money mortgage loan and shall not qualify as an economic interest in the mineral property.

(c) A production payment retained in a mineral property by the lessor in a leasing transaction shall be treated, for purposes of this chapter, insofar as the lessee (or his successors in interest) is concerned, as if it were a bonus granted by the lessee to the lessor payable in installments. The treatment of the production payment in the hands of the lessor shall be determined without regard to the provisions of this subdivision.

(d) As used in this section, the term "mineral property" means each separate interest owned by the taxpayer in each mineral deposit in each separate tract or parcel of land.

(e) The Franchise Tax Board shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(f) The amendments made by this section shall apply with respect to mineral production payments created on or after January 1, 1971, other than mineral production payments created before January 1, 1971, pursuant to a binding contract entered into before August 7, 1969.

SEC. 293. Section 24901 of the Revenue and Taxation

Code is amended to read:

24901. (a) The gain from the sale or other disposition of property shall be the excess of the amount realized therefrom over the adjusted basis provided in Section 24911 for determining gain, and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the amount realized.

(b) The amount realized from the sale or other disposition of property shall be the sum of any money received plus the fair market value of the property (other than money) received. In determining the amount realized—

(1) There shall not be taken into account any amount received as reimbursement for real property taxes which are treated under Section 24346 as imposed on the purchaser, and

(2) There shall be taken into account amounts representing real property taxes which are treated under Section 24346 as imposed on the bank or corporation if such taxes are to be paid by the purchaser.

(c) In the case of a sale or exchange of property, the extent to which the gain or loss determined under this section shall be recognized for purposes of this part shall be determined under Section 24902.

(d) Nothing in this section shall be construed to prevent (in the case of property sold under contract providing for payment in installments) the taxation of that portion of any installment payment representing gain or profit in the year in which such payment is received.

(e) (1) In determining gain or loss from the sale or other disposition of a term interest in property, that portion of the adjusted basis of such interest which is determined pursuant to Sections 24914 and 24915 (to the extent that such adjusted basis is a portion of the entire adjusted basis of the property) shall be disregarded.

(2) For purposes of paragraph (1), the term "term interest in property" means—

(A) A life interest in property,

(B) An interest in property for a term of years, or

(C) An income interest in a trust.

(3) Paragraph (1) shall not apply to a sale or other disposition which is a part of a transaction in which the entire interest in property is transferred to any person or persons.

SEC. 294. Section 24911 of the Revenue and Taxation Code is amended to read:

24911. (a) The adjusted basis for determining the gain or loss from the sale or other disposition of property, whenever acquired, shall be the basis (determined under Section 24912) or other applicable sections of Chapter 15 (relating to gain or loss on disposition of property) and Chapter 8 (relating to corporate distributions and adjustments), adjusted as

provided in Sections 24916 and 24917.

(b) If a deduction is allowable under Section 24357 (relating to charitable contributions) by reason of a sale, then the adjusted basis for determining the gain from such sale shall be that portion of the adjusted basis which bears the same ratio to the adjusted basis as the amount realized bears to the fair market value of the property.

SEC. 295. Section 25402.5 is added to the Revenue and Taxation Code, to read:

25402.5. A reasonable extension of time for filing a return, statement, or other document required under Section 23772 or Section 23774 may be granted by the Franchise Tax Board whenever in its judgment good cause exists. The Franchise Tax Board may prescribe rulings and regulations as are necessary and reasonable to carry out the provisions of this section.

SEC. 296. Section 25441 of the Revenue and Taxation Code is amended to read:

25441. (a) Every taxpayer subject to the tax imposed by this part shall, within 5 months and 15 days after the beginning of its income year, transmit to the Franchise Tax Board a declaration of estimated tax containing such pertinent information as the Franchise Tax Board may by forms or regulations prescribe, the estimated tax to be computed on the basis of the estimated net income of the income year.

(b) For purposes of this article the declaration of estimated tax provided by subdivision (a) shall not apply to the minimum tax on items of tax preference imposed by Chapter 2.5 (commencing with Section 23400).

SEC. 296.1. Section 25444 is added to the Revenue and Taxation Code, to read:

25444. The provisions of this article shall not apply with respect to income years beginning after December 31, 1971.

SEC. 296.2. Section 25563 of the Revenue and Taxation Code is amended to read:

25563. (a) If the amount of estimated tax with respect to which a declaration is required under Article 2.5 (commencing with Section 25441) of this chapter does not exceed one hundred dollars ($100), or twenty-five dollars ($25) in the case of a corporation described in subdivision (a) of Section 23153, the entire amount of the estimated tax shall for income years ending on or before November 30, 1972 be due and payable on or before the 15th day of the sixth month of the income year.

(b) If the amount of estimated tax exceeds one hundred dollars ($100), or twenty-five dollars ($25) in the case of a corporation described in subdivision (a) of Section 23153, the amount payable shall for income years ending on or before

November 30, 1972 be paid in two installments as follows—

(1) Fifty percent of the estimated tax, but not less than the minimum tax provided in Section 23153, shall be paid on or before the 15th day of the sixth month of the income year, and

(2) Twenty-five percent of the estimated tax shall be paid on or before the 15th day of the 11th month of the income year.

(c) If the amount of estimated tax does not exceed two hundred dollars ($200), or twenty-five dollars ($25) in the case of a corporation described in subdivision (a) of Section 23153, the entire amount of the estimated tax shall for income years beginning after December 31, 1971 be due and payable on or before the 15th day of the fourth month of the income year.

(d) If the amount of estimated tax exceeds two hundred dollars ($200), or twenty-five dollars ($25) in the case of a corporation described in subdivision (a) of Section 23153, the amount payable shall for income years beginning after December 31, 1971 be paid in installments as follows:

	The following percentages of the estimated tax shall be paid on the 15th day of the—			
If the requirements of this subdivision are first met—	4th month	6th month	9th month	12th month
Before the 1st day of the 4th month of the income year ..	25 (but not less than the minimum tax provided in Section 23153)	25	25	25
After the last day of the 3rd month and before the 1st day of the 6th month of the income year	—	33⅓	33⅓	33⅓
After the last day of the 5th month and before the 1st day of the 9th month of the income year	—	—	50	50
After the last day of the 8th month and before the 1st day of the 12th month of the income year	—	—	—	100

SEC. 296.3. Section 25563.1 is added to the Revenue and

Taxation Code, to read:

25563.1. If, after paying any installment of estimated tax required by subdivision (d) of Section 25563, the taxpayer makes a new estimate, the amount of each remaining installment (if any) shall be the amount which would have been payable if the new estimate had been made when the first estimate for the income year was made, increased or decreased (as the case may be) by the amount computed by dividing—

(1) The difference between—

(A) The amount of estimated tax required to be paid before the date on which the new estimate is made, and

(B) The amount of estimated tax which would have been required to be paid before such date if the new estimate had been made when the first estimate was made, by

(2) The number of installments remaining to be paid on or after the date on which the new estimate is made.

SEC. 296.4. Section 25563.2 is added to the Revenue and Taxation Code, to read.

25563.2. At the election of the corporation, any installment of the estimated tax required by subdivision (d) of Section 25563, may be paid before the date prescribed for its payment.

SEC. 296.5. Section 25952 of the Revenue and Taxation Code is amended to read:

25952. For the purposes of Section 25951 the amount of the underpayment shall be the excess of—

(a) The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent of the tax shown on the return for the income year, or in the case of the tax imposed by Article 3 of Chapter 2 the amount of the tax shown on the return for the income year plus or minus the amount of tax payable or refundable, respectively, as shown on the notice of determination mailed by the Franchise Tax Board pursuant to Section 23186a for the income year, or, if no return was filed, 80 percent of the tax for such year, over

(b) The amount, if any of the installment, paid on or before the last date prescribed for payment.

SEC. 296.6. Section 25954 of the Revenue and Taxation Code is amended to read:

25954. Notwithstanding the provisions of the preceding sections of this article, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax paid on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the

estimated tax were whichever of the following is the lesser—

(a) The tax shown on the return of the taxpayer for the preceding income year if a return showing a liability for tax was filed by the taxpayer for the preceding year and such preceding year was a year of 12 months. The tax shown on the return, in the case of the tax imposed by Article 3 of Chapter 2, means the amount of tax shown on the return for the income year plus or minus the amount of tax payable or refundable, respectively, as shown on the notice of determination mailed by the Franchise Tax Board pursuant to Section 23186a for the income year.

(b) An amount equal to the tax computed at the rates applicable to the taxable year but otherwise on the basis of the facts shown on the return of the taxpayer for, and the law applicable to, the preceding taxable year.

(c) (1) With respect to payments of estimated tax required to be paid during income years ending on or before November 30, 1972, an amount equal to 80 percent of the tax for the taxable year computed by placing on an annualized basis the taxable income for the first three months or for the first five months of the income year.

(2) With respect to payments of estimated tax required to be paid during income years beginning after December 31, 1971, an amount equal to 80 percent of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(A) For the first three months of the income year, in the case of the installment required to be paid in the fourth month,

(B) For the first three months or for the first five months of the income year, in the case of the installment required to be paid in the sixth month,

(C) For the first six months or for the first eight months of the income year in the case of the installment required to be paid in the ninth month, and

(D) For the first nine months or for the first 11 months of the income year, in the case of the installment required to be paid in the 12th month of the taxable year.

(3) For purposes of this subdivision, the taxable income shall be placed on an annualized basis by—

(A) Multiplying by 12 the taxable income referred to in paragraph (1) or paragraph 2, and

(B) Dividing the resulting amount by the number of months in the income year referred to in paragraph (1) or paragraph 2.

"Taxable income" as used in this section means, in the case of the tax imposed by Chapter 2, income includable in the measure of the tax.

SEC. 297. Section 25954.5 is added to the Revenue and

Taxation Code, to read:

25954.5. Notwithstanding the provisions of Section 25951 and the preceding sections of this article, the addition to the tax with respect to underpayment of any installment shall not be imposed on an exempt corporation whose exemption is retroactively revoked unless the corporation has notice that the estimated tax should have been paid. The denial of the organization's exemption application or the revocation of its exemption by the Internal Revenue Service normally satisfies the notice requirement.

SEC. 298. Section 25958 is added to the Revenue and Taxation Code, to read:

25958. (a) Notwithstanding any section in this chapter to the contrary, in the case of any income year ending before enactment of the amendments at the 1971 Regular Session of the Legislature, no interest on any underpayment of tax, to the extent such underpayment is attributable to the amendments made at the 1971 Regular Session of the Legislature, shall be assessed or collected.

(b) In the case of an income year beginning before enactment of the amendments at the 1971 Regular Session of the Legislature, if any taxpayer is required to pay an additional amount of estimated tax, by reason of the amendments made at the 1971 Regular Session of the Legislature, such additional amount shall be paid at the due date for the return, as required by Section 25401, without penalty or interest.

SEC. 299. Section 26073 of the Revenue and Taxation Code is amended to read:

26073. No credit or refund shall be allowed or made after four years from the last day prescribed for filing the return or after one year from the date of the overpayment, whichever period expires the later, unless before the expiration of such period a claim therefor is filed by the taxpayer, or unless before the expiration of such period the Franchise Tax Board allowed a credit, made a refund, issued a notice of proposed overpayment, or certified such overpayment to the State Board of Control for approval of the refunding thereof.

SEC. 300. Section 26131 of the Revenue and Taxation Code is repealed.

SEC. 301. Section 26131 is added to the Revenue and Taxation Code, to read:

26131. (a) The Franchise Tax Board may, by regulation, require any bank, corporation or person, in whatever capacity acting (including lessees or mortgagors of real or personal property, fiduciaries, employers, and any officer or department of the state or any political subdivision or agency of the state, or any city organized under a freeholder's charter, or any political body not a subdivision or agency of

the state) having the control, receipt, custody, disposal, or payment of items of income specified in subdivision (b), to withhold an amount, determined by the Franchise Tax Board to reasonably represent the amount of tax due, when such items of income are included with other income of the taxpayer, and to transmit the amount withheld to the Franchise Tax Board at such time as it may designate.

(b) The items of income referred to in subdivision (a) are interest, dividends, rent, prizes and winnings, premiums, annuities, emoluments, compensation for personal services, including bonuses, and other fixed or determinable annual or periodical gains, profits and income.

(c) The Franchise Tax Board may authorize the tax under subdivision (a) to be deducted and withheld from the interest upon any securities the owners of which are not known to the withholding agent.

(d) Any bank or person failing to withhold from any payments any amounts required by such regulation to be withheld is liable for the amount withheld or the amount of taxes due from the person to whom the payments are made to an extent not in excess of the amounts required to be withheld, whichever is more, unless it is shown that the failure to withhold is due to reasonable cause.

(e) Whenever any person has withheld any amount pursuant to subdivision (a), the amount so withheld shall be held to be a special fund in trust for the State of California. The amount of such fund shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations (including penalties) as are applicable with respect to the taxes imposed by this part.

SEC. 302. Section 26451.3 of the Revenue and Taxation Code is amended to read:

26451.3. (a) If an organization is exempt from taxation under Section 23701 for any taxable year, the application filed by the organization with respect to which the Franchise Tax Board made its determination that such organization was entitled to exemption under Section 23701, together with any papers submitted in support of such application, shall be open to public inspection. Any inspection under this subdivision may be made at such times, and in such manner, as the Franchise Tax Board shall by regulations prescribe. After the application of any organization has been opened to public inspection under this subdivision, the Franchise Tax Board shall, on the request of any person with respect to such organization, furnish a statement indicating the section which it has been determined describes such organization.

(b) Upon request of the organization submitting any supporting papers described in subdivision (a), the Franchise Tax Board shall withhold from public inspection any

information contained therein which it determines relates to any trade secret, patent, process, style of work, or apparatus, of the organization, if it determines that public disclosure of such information would adversely affect the organization. The Franchise Tax Board shall withhold from public inspection any information contained in supporting papers described in subdivision (a) the public disclosure of which it determines would adversely affect the national defense.

(c) The Franchise Tax Board may impose a reasonable charge for supplying any information the disclosure of which is permitted under this section.

SEC. 306. Section 940 of the Unemployment Insurance Code is amended to read:

940. For the purposes of this section and Sections 1026, 1088, 1280, 1281, 1282, 2652, 2654, 2655, and 2657, "wages" means taxable wages as well as wages which would be taxable except for the limitations on taxable wages provided under Sections 930 and 985.

SEC. 307. Section 1110 of the Unemployment Insurance Code is amended to read:

1110. (a) Employer contributions required under Sections 976 and 976.5 and, except as provided by subdivision (b) of this section, worker contributions required under Section 984 are due and payable on the first day of the calendar month following the close of each calendar quarter and shall become delinquent if not paid on or before the last day of such month.

(b) Worker contributions required under Section 984 are due and payable on the first day of the calendar month following the close of each first and second calendar month of each calendar quarter and shall become delinquent if not paid on or before the 15th day of such month. This subdivision shall not apply to an employer for any calendar month with respect to which the total amount of worker contributions required to be withheld by that employer for that month does not exceed fifty dollars ($50), or if the Franchise Tax Board delegates its powers and duties as provided in Section 15702.1 of the Government Code and both of the following conditions exist:

(1) The total amount of worker contributions required to be withheld by that employer for that month does not exceed fifty dollars ($50).

(2) The income tax required to be withheld by Section 18806 of the Revenue and Taxation Code for that month does not exceed one hundred dollars ($100).

SEC. 308. Section 1110.1 is added to the Unemployment Insurance Code, to read:

1110.1. (a) Notwithstanding any other provision of law, the director shall allocate any payment to the department

relating to liability for contributions, withheld personal income tax, penalty and interest, in accordance with any designation made by the payor at or before the time the payment is made to the department.

(b) Notwithstanding any other provision of law, if a payor, at or before the time a payment is made to the department, does not designate an obligation to which the payment is to be applied, the director shall allocate the payment in the following order of priority:

(1) Employer contributions required under Sections 976 and 976.5, worker contributions, and withheld personal income tax, in proportion to the aggregate amount of such employer contributions, worker contributions, and withheld personal income tax due.

(2) Penalties and interest due under this division, and penalties and interest due based upon withheld personal income tax.

(c) The director may apply the following standards in making any allocation under this section:

(1) First priority may be given to the extinction of obligations due at the time of payment with respect to which a lien has not been recorded, in the order inverse to that in which the obligation became due.

(2) Second priority may be given to the extinction of obligations due at the time of payment with respect to which a lien has been recorded. If more than one lien has been recorded, the obligations covered by the most recent lien recorded may be extinguished in full before any payment is allocated to obligations covered by the next prior lien recorded.

SEC. 309. Section 1176 of the Unemployment Insurance Code is amended to read:

1176. (a) If, by reason of an employee receiving wages from more than one employer during any calendar year after December 31, 1971, the wages received by him during such year exceed the remuneration upon which contributions are payable under Section 985, and the sum of the amount of tax imposed by Section 984 plus the amount of contributions under Section 3260 deducted from such wages exceeds the amount required under this division, the employee is entitled to a refund or credit of the amount of the excess.

(b) The director shall in accordance with Section 3266 recover from voluntary plans the aggregate amount of such refunds and credits made during any calendar year which is applicable to voluntary plans.

SEC. 310. Section 1176.5 is added to the Unemployment Insurance Code, to read:

1176.5. (a) Except as provided by subdivision (c) of this section, refunds and credits under Section 1176 shall be

claimed pursuant to Section 17061 of the Revenue and Taxation Code on the personal income tax return of the claimant for the year in which the wages in excess of the applicable limitation are received. The claim shall be filed with such return by the due date of the return or the due date as extended by the Franchise Tax Board pursuant to Section 18433 of the Revenue and Taxation Code. The director shall transfer from the Disability Fund to the General Fund an amount equal to the amount of credits and refunds allowed by the Franchise Tax Board.

(b) If the Franchise Tax Board disallows an individual's claim filed pursuant to subdivision (a) of this section, he may file a protest and submit the claim to the director within 30 days of the date of mailing of the notice of disallowance by the Franchise Tax Board pursuant to Section 17061 of the Revenue and Taxation Code. An additional 30 days for the filing of the protest may for good cause be granted by the director.

(c) If any individual is not required to file a personal income tax return for a year with the Franchise Tax Board, he may, within six months after the calendar year in which the wages in excess of the applicable limitation are received, or within an additional period not to exceed 24 calendar months if an extension for good cause is granted by the director, file a claim for refund or credit under Section 1176 with the director.

(d) The director shall make refunds from the Disability Fund if he allows a claim under this section. The provisions of Sections 1180, 1182 and 1183 shall apply whenever the director denies any claim for refund or credit under this section.

SEC. 311. Section 1526.1 is added to the Unemployment Insurance Code, to read:

1526.1. All withheld income taxes and amounts payable to the Personal Income Tax Fund after proper clearance shall be forwarded to the Treasurer who shall immediately deposit them in that fund.

SEC. 312. Section 1526.2 is added to the Unemployment Insurance Code, to read:

1526.2. All worker contributions and amounts payable to the Disability Fund after proper clearance shall be forwarded to the Treasurer who shall immediately deposit them in that fund.

SEC. 313. Section 1526.3 is added to the Unemployment Insurance Code, to read:

1526.3. All amounts specified in Section 1585 payable to the Contingent Fund after proper clearance shall be forwarded to the Treasurer who shall immediately deposit them in that fund.

SEC. 314. Section 1526.4 is added to the Unemployment Insurance Code, to read:

1526.4. All amounts payable to the Unemployment Administration Fund after proper clearance shall be forwarded to the Treasurer who shall immediately deposit them in that fund.

SEC. 314.5. Section 1585 of the Unemployment Insurance Code is amended to read:

1585. The Department of Human Resources Development Contingent Fund is continued in existence as a special fund in the State Treasury. There shall be deposited in or transferred to this fund:

(a) All interest on contributions collected under this division.

(b) All penalties collected under this division, except as provided in Sections 1958 and 3654.1.

(c) Notwithstanding any other provision of law, all penalties and interest collected by the department pursuant to the provisions of the Revenue and Taxation Code relating to the withholding of personal income tax.

(d) Rental payments or proceeds attributable to property derived from amounts expended from this fund.

(e) Interest on amounts expended from this fund.

SEC. 314.6. Section 1585.5 is added to the Unemployment Insurance Code, to read:

1585.5. The director shall estimate the amount of penalties and interest collected by the department pursuant to the provisions of the Revenue and Taxation Code relating to the withholding of personal income tax and shall transfer said amount to the Personal Income Tax Fund on a quarterly basis.

SEC. 315. Article 7 (commencing with Section 1891) is added to Chapter 7 of Part 1 of Division 1 of the Unemployment Insurance Code, to read:

Article 7. Additional Remedies

1891. In addition to any other collection procedures authorized in this division, the director may use any collection procedure or remedy contained in Chapter 19 (commencing with Section 18801) of Part 10 of Division 2 of the Revenue and Taxation Code, in the collection of any contributions, penalties, and interest required by this division.

SEC. 315.4. Section 10809.5 is added to the Welfare and Institutions Code, to read:

10809.5. Each county welfare department shall submit to the Department of Finance each month a copy of the monthly report of caseloads and expenditures submitted by the counties to the State Department of Social Welfare on the 237 report series entitled "Caseload Movement and Expenditure

Report," relating to the following categories of assistance:

(1) Aid to the Aged

(2) Aid to the Blind and Potentially Self-Supporting Blind

(3) Aid to the Disabled

(4) Aid to Families with Dependent Children—Unemployed Persons

(5) Aid to Families with Dependent Children—Family Groups

(6) Aid to Families with Dependent Children—Boarding Homes and Institutions

(7) General Home Relief

The report shall be submitted to the Department of Finance at the same time that the report is submitted to the Department of Social Welfare. The Department of Finance, upon receipt of the respective county reports, shall make the data contained therein immediately available to the Joint Legislative Budget Committee. In addition, this data shall be incorporated into and made an integral part of the Budget Data System.

SEC. 315.5. The Legislature has determined that the withholding of personal income taxes may cause unusual difficulties for employers in 1972 due to the enactment of this act late in the 1971 legislative session. It is therefore the intent of the Legislature that in the initial year of the withholding program the Franchise Tax Board and the Department of Human Resources Development liberally construe the provisions of this act dealing with the withholding of personal income taxes by employers, bearing in mind the short span of time given to employers to implement such a program.

SEC. 316. Notwithstanding any other provision of law to the contrary, except for the special tax credit provided for in Section 17 of this act, the one-time nonrecurring revenue in the amount of one hundred fifty million dollars ($150,000,000) produced by the enactment of withholding and quarterly estimates of state personal income taxes shall be used for the following purposes and shall be allocated in the following manner:

(a) Eighty million dollars ($80,000,000) shall be allocated to the Capital Outlay Fund for Public Higher Education for the capital construction programs of the University of California, the California State Colleges, and the community colleges.

(b) Forty million dollars ($40,000,000) shall be allocated to the Bagley Conservation Fund, which is hereby created, for beach, park, and land acquisition programs, including wildlife areas, and coastline planning and development of recreational facilities which do not require continuous funding and are of a one-time nonrecurring nature, including within this figure five million dollars ($5,000,000) for miscellaneous capital outlay construction.

(c) Thirty million dollars ($30,000,000) shall be allocated to the School Building Safety Fund, which is hereby created, for replacement and repair of local school district buildings for compliance with Field Act requirements.

It is the intent of the Legislature that the amounts specified in the above subdivisions shall be subject to continuous expenditure without regard to fiscal years on the basis of need when appropriated by the Legislature, but that no more than 33⅓ percent of the total amount of one hundred fifty million dollars ($150,000,000) be allocated in any one budget year.

The Department of Finance shall in the annual budget submitted to the Legislature recommend capital outlay program expenditures pursuant to the above subdivisions. Any funds appropriated by the Budget Act of 1971 contained in Chapter 266 of the Statutes of the 1971 Regular Session of the Legislature, such as Item 304.1, shall be allocated prior to the end of the 1971–1972 fiscal year.

SEC. 316.2. (a) On or before December 1, 1974, the Legislative Analyst shall determine and certify to the State Board of Equalization whether or not, based on his estimates, a total amount of one hundred fifty million dollars ($150,000,000) has been appropriated and approved by the Public Works Board for the capital outlay projects specified in this act for the total four-year fiscal period of fiscal years 1971–1972, 1972–1973, 1973–1974, and 1974–1975 from the General Fund in excess of the amount which would have normally been committed to capital outlay from the General Fund during such fiscal years.

(b) For the purposes of this section, the amount which would have normally been committed to capital outlay from the General Fund and the Capital Outlay Fund for Public Higher Education during such fiscal years shall be deemed to be a total of seventy-five million dollars ($75,000,000) for the 1971–1972 to 1974–1975 fiscal years, inclusive.

(c) If the Legislative Analyst certifies to the State Board of Equalization that the amount specified in subdivision (a) has been appropriated for the purposes specified in this act, Sections 7.5 and 8 of this act shall not become operative.

SEC. 316.5. Section 155.5 of this act shall become operative only if Assembly Bill 209 of the 1971 Regular Session of the Legislature is enacted.

SEC. 317. The operative effect of the provisions of this act shall be as follows:

(a) Sections 1.02, 5.7, 5.8, 315.4, 1.3 to 5.5, inclusive, of this act shall take effect immediately.

(b) Sections 5.55, and 5.6 of this act shall become operative on the lien date in 1972.

(c) Sections 5.9, 6, 7, and 7.3, inclusive, of this act shall become operative on July 1, 1972.

(d) Section 11 of this act shall become operative on January 1, 1973 and shall be applied in the computation of taxes for taxable years beginning after December 31, 1972.

(e) The provisions in this act affecting changes in the Senior Citizens Property Tax Assistance Law shall be applied with respect to claims for assistance for the 1971–1972 fiscal year and fiscal years thereafter.

(f) All other sections of this act affecting changes in the Personal Income Tax Law, unless otherwise specified in such sections or in this section, shall be applied in the computation of taxes for taxable years beginning after December 31, 1970.

(g) The provisions of this act relating to the increase in the rate of tax under the Bank and Corporation Tax Law shall be applied in the computation of taxes on or measured by net income of calendar or fiscal years ending after December 31, 1971. Banks and corporations whose fiscal years begin prior to January 1, 1972, and end on or before November 30, 1972, shall compute their tax by applying the rate in effect as of December 31, 1971, and the rate provided for in this act on and after such date to their net income for the entire year in accordance with the method prescribed in Section 24251 of the Revenue and Taxation Code.

Notwithstanding any other provision in the Bank and Corporation Tax Law, in computing the amount of estimated taxes due and payable on and after May 15, 1972, for fiscal years beginning on and after July 1, 1971 and ending on or before November 30, 1972, the rates of tax provided in this act shall apply. With respect thereto, any additional estimated tax shall accrue on the date the estimated tax installment is required to be paid, and if not paid on such date, interest shall be assessed, collected and paid on the unpaid estimated tax at the rate of 6 percent per year from the date prescribed for payment until it is paid.

(h) Sections 1, 1.1, 8.05, 10, 17, 122, 124 to 146, inclusive, 148 to 158, inclusive, 180 to 187, inclusive, 189, 190, 192 to 196, inclusive, 198 to 204, inclusive, 300, 301, 306 to 308, inclusive, and 311 to 316, inclusive, of this act shall become operative on January 1, 1972.

(i) Sections 15, 198, 309, and 310 of this act shall become operative if a system of payroll withholding is enacted during 1971. If no system of payroll withholding is enacted in 1971, Sections 15, 198, 309, and 310 of this act shall be inoperative.

(j) Section 215 of this act shall apply to income years beginning after December 31, 1970, with respect to taxpayers subject to Chapter 2 of the Bank and Corporation Tax Law and to taxable years beginning after December 31, 1970, with respect to taxpayers subject to Chapters 3 and 4 of the Bank and Corporation Tax Law.

(k) Section 1.03 of this act shall be effective for all measures

qualifying for the ballot after the effective date of this act.

(*l*) Section 5.55 of this act shall remain operative to and including the lien date in 1981 and shall have no further force or effect after such date.

SEC. 318. Notwithstanding any other provision of law, no moneys directly attributable to the enactment of a system of payroll withholding at the 1971 Regular Session of the Legislature shall be appropriated for any purpose, except the purposes specifically provided for in this act or the 1971 Budget Act.

Any law enacted at the 1971 Regular Session of the Legislature, other than this act or the 1971 Budget Act, which allocated moneys to be derived from the enactment of withholding shall not be eligible for funds made available by this act during the 1971–1972 fiscal year.

SEC. 318.5. The Legislature finds that Section 16100 of the Government Code, as contained in Section 1.5 of this act, provides for a single appropriation to effectuate tax reform on the state and local levels by providing property tax relief on the local level and funds for the proper administration of state taxes, which will provide the revenues for the subventions therefor.

SEC. 319. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order to provide property tax relief by the various methods proposed by this act and to promote equity in California's tax system at the earliest possible time, it is necessary that this act take effect immediately.

SEC. 320. It is intended that the senior citizens assistance program shall provide not less than $56 million in state assistance in fiscal 1972–73. If the program provides less assistance than $56 million the Legislature shall increase the reimbursement schedule provided in this section for the following years.

CHAPTER 2

An act to amend Section 3566.3 of the Elections Code, to amend Sections 16101, 16107, 16108, 16109, 16111, 16112, 16114, 16115, 16117, 51283, 65563, and 65570 of, and to add Section 16102.1 to, the Government Code, to amend Sections 255.4, 2611.5, 2615.5, 17211.6, 17235, 17336, 17415, 17461, 17462, 17502.8, 17790, 17791, 18183, 18551.1, 18588, 18685.01, 18697, 23186, 23224.5, 23282, 23701d, 24422.5, 24463, 24483.5, 24491.1, 24562, 24563, and 25958 of, to add Sections 6006 and 6363.6 to, and to repeal Sections 6006 and 6363.6 of, the Revenue and Taxation Code, to amend Section 1176 of the Unemployment Insurance Code, and to amend Sections 316 and 320 of Chapter 1 of the Statutes of the 1971 First Extraordinary Session, relating to financing state government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor December 30, 1971 Filed with Secretary of State December 30, 1971]

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

SECTION 1. This act may be known and cited as the Technical Correction Act to Assembly Bill No. 1 of the 1971 First Extraordinary Session.

SEC. 2. Section 3566.3 of the Elections Code is amended to read:

3566.3. Whenever any measure qualifies for a place on the ballot the Secretary of State shall transmit a copy of the measure to the Legislative Analyst. The Legislative Analyst shall prepare an impartial financial analysis of the measure, which shall include the amount of any increase or decrease in revenue and/or cost to state and/or local government. The analysis shall be made of the measure as it is proposed to be adopted, without further implementing legislation, unless such implementing legislation has been enacted and will become effective by reason of the adoption of the measure by the voters. The analysis shall fairly portray the fiscal effects of the measure for the first full year of implementation and the first year when the last provisions to be implemented are fully effective. The title of the measure which appears on the ballot shall be amended to contain a summary of the Legislative Analyst's estimate of the net state and local government financial impact. The Legislative Analyst shall consult with the Director of Finance and the Chairmen of the Committees on Revenue and Taxation of the Senate and of the Assembly,

or their designees, in preparing the financial analysis. For purposes of this section, any measure which has no provisions which are self-executing shall be deemed to have no financial effect, unless implementing legislation has been enacted which will become effective by reason of the adoption of the measure by the voters. The analysis shall be printed in the ballot pamphlet alongside the Legislative Counsel's detailed analysis and shall not exceed 750 words.

SEC. 3. Section 16101 of the Government Code is amended to read:

16101. It is the purpose of this chapter to provide replacement revenues to local government by reason of the repeal or reduction of the property tax on the following classes of property affected by the following provisions of the Revenue and Taxation Code: (1) business inventories under Section 219; (2) motion pictures under Section 988; (3) open-space lands under Sections 423 and 423.5; (4) livestock under Section 5523; and (5) wine and brandy under Section 992.

SEC. 4. Section 16102.1 is added to the Government Code, to read:

16102.1. (a) Out of the amount appropriated to the Controller from the General Fund by Section 16100, he shall pay so much as may be necessary to make allocations pursuant to Section 17254 of the Education Code according to the terms and conditions herein set forth to school districts which have lost revenue by reason of the operation of Section 992 of the Revenue and Taxation Code.

(b) Upon, and only upon, application by an eligible school district, determined pursuant to Section 17254 of the Education Code, the Controller shall determine replacement revenue for the loss occasioned by the operation of Section 992 of the Revenue and Taxation Code by multiplying the current tax rate of the school district times each one hundred dollars ($100) of the loss in assessed valuation attributable to wine, winery products, or brandy, and shall pay to the school district the amount so computed.

(c) For the purposes of the computation under subdivision (b) of this section, the loss in assessed valuation of wine, winery products, and brandy shall be the average assessed value of such property which would not have been taxable by the school district if Section 992 of the Revenue and Taxation Code had been in effect during the four-year period including and ending with the 1969–1970 fiscal year. The county auditor shall compute the loss and certify the amount of the loss to the Controller.

(d) Application for the replacement revenue shall be made on or before September 15th with respect to losses to be occasioned in the fiscal year and payments shall be made

on or before November 1st of the same calendar year.

SEC. 5. Section 16107 of the Government Code is amended to read:

16107. The Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16100, to each eligible county, city, or city and county the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423 or 423.5 of the Revenue and Taxation Code:

(a) Three dollars ($3) for prime agricultural land as defined in Section 51201 of this code which is:

(1) Within an incorporated city,

(2) Within three miles of the boundaries of an incorporated city with 1,500 or more registered voters, or

(3) Within one mile of the boundaries of an incorporated city with less than 1,500 registered voters.

(b) One dollar and fifty cents ($1.50) for all other prime agricultural land,

(c) Fifty cents ($0.50) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance defined in Section 16108.

SEC. 6. Section 16108 of the Government Code is amended to read:

16108. Land shall be deemed to be devoted to open-space uses of statewide significance if it:

(a) Could be developed as prime agricultural land, or

(b) Is open-space land as defined in Section 65560 which constitutes a resource whose preservation is of more than local importance for ecological, economic, educational, or other purposes. The Secretary of the Resources Agency shall be the final judge of whether the land is in fact devoted to open-space use of statewide significance.

SEC. 7. Section 16109 of the Government Code is amended to read:

16109. On or before October 31, 1972, and annually thereafter, the governing body of each county, city, or city and county shall submit a report to the Secretary of the Resources Agency itemizing the number of acres of land under its regulatory jurisdiction which it believes to be qualified for state payments pursuant to the various categories enumerated in Section 16107, together with such supporting documentation as the secretary by regulation may require. The secretary, after reviewing the report and determining the eligibility of the local government to receive payment and the actual amount to which it is entitled, shall certify that amount to the Controller for payment, and the Controller shall make such payment by December 31, 1972, and annually thereafter.

The secretary may make such supplemental reports to the

Controller as it deems necessary throughout the year to give effect to new or additional information received from local governing bodies, correct errors, and dispose of contested or conditional situations. Upon receiving such reports, the Controller shall pay any amount certified therein, and may withhold and deduct any certified overpayment from the amount that would otherwise be paid to the local government in the next succeeding year.

SEC. 8. Section 16111 of the Government Code is amended to read:

16111. The Secretary of the Resources Agency may determine, after notice and hearing, that a local government is ineligible to receive state payments pursuant to this article by reason of its failure to comply with the provision of Article 10.5 (commencing with Section 65560) of Chapter 3 of Title 7 of this code, or with the provisions of any program which establishes an enforceable restriction upon which the assessment of land within its jurisdiction pursuant to Section 423 or 423.5 of the Revenue and Taxation Code is based. This section shall not be construed to require the disqualification of any land from assessment pursuant to Section 423 or 423.5 of the Revenue and Taxation Code as a consequence of any determination of ineligibility by the secretary.

SEC. 9. Section 16112 of the Government Code is amended to read:

16112. The Secretary of the Resources Agency may request the Attorney General to bring any action in court necessary to enforce any enforceable restriction as defined in Section 422 of the Revenue and Taxation Code, upon land for which the secretary has certified payment of state funds to the local governing body during the current or any preceding fiscal year. Such action may include, but is not limited to, an action to enforce the contract by specific performance or injunction.

SEC. 10. Section 16114 of the Government Code is amended to read:

16114. On or before October 31, 1972, and on or before the last day of October of each year thereafter, the assessor shall report the open-space adjustment for each school district located in the county to the Controller and to the Superintendent of Public Instruction. The open-space adjustment shall be calculated by determining the difference between:

(a) The adjusted assessed value of all land in the district in the base year, which shall be the last assessment year prior to the application of Section 423 or 423.5 of the Revenue and Taxation Code to any land within the district, and

(b) The assessed value of all land within the district for the current assessment year.

For the purposes of subdivision (a), "adjusted assessed value" shall be computed by multiplying the actual assessed value of land in the district in the base year by the percentage which the gross assessed value of all land in the state on the local roll outside of municipalities without deductions for any exemptions for the current assessment year is of the gross assessed value of all land on the local roll outside municipalities without deductions for any exemptions in the base year. The Controller shall announce the factors to be used by the assessors on or before October 15th of each year.

If the value of land within the district for the current assessment year is greater than the adjusted assessed value of the base year, there shall be no reimbursement.

SEC. 11. Section 16115 of the Government Code is amended to read:

16115. A basic aid school district shall not receive any assistance under the provisions of this article if its actual assessed value per pupil is greater than the product of the base year (as defined in subdivision (a) of Section 16114) assessed value per pupil times the percentage which the estimated or actual current expense of education per pupil in the state for the current year is of the current expense of education per pupil in the state for the base year.

SEC. 12. Section 16117 of the Government Code is amended to read:

16117. The other provisions of this chapter notwithstanding, no city, county, or city and county shall receive more money by reason of the funds provided for in the open-space provisions of this chapter than such governmental entity might have received had no property in the entity been assessed pursuant to Sections 423 and 423.5 of the Revenue and Taxation Code. This determination shall be made by:

(a) Multiplying the last unrestricted assessed value of each parcel now subject to assessment under Sections 423 or 423.5 of the Revenue and Taxation Code by the percentages which the current gross assessed value of all land on the local roll outside municipalities without deduction for exemption in the state is of the gross assessed value of all land on the local roll outside municipalities without deduction for exemption in the state for the last year in which the parcel was not so restricted;

(b) Subtracting the current assessed value for the parcel from the figure derived pursuant to subdivision (a);

(c) Calculating the total of all differences determined pursuant to subdivision (b) for land under control of, or, in the case of cities, within the boundaries of, the entity in question; and

(d) Multiplying the total derived under subdivision (c) by

the tax rate for the current year of the entity in question.

The determinations required by this section shall be made by the Secretary of the Resources Agency.

SEC. 13. Section 51283 of the Government Code is amended to read:

51283. (a) Prior to any action by the board or council giving tentative approval to the cancellation of any contract, the county assessor of the county in which the land is located shall determine the full cash value of the land as though it were free of the contractual restriction. The assessor shall multiply such value by the most recent county ratio announced pursuant to Section 401 of the Revenue and Taxation Code, and shall certify the product to the board or council as the cancellation valuation of the land for the purpose of determining the cancellation fee.

(b) Prior to giving tentative approval to the cancellation of any contract the board or council shall determine and certify to the county auditor the amount of the cancellation fee which the landowner must pay the county treasurer as deferred taxes upon cancellation. That fee shall be an amount equal to 50 percent of the cancellation valuation of the property; provided, however, if after the date the contract was initially entered into the publicly announced county ratio of assessed to full cash value is changed, the percentage payment in this subdivision shall be changed so no greater percentage of full cash value will be paid than would have been paid had there been no change in ratio.

(c) If they find that it is in the public interest to do so the board or council may waive any such payment or any portion thereof, or may make such payment or a portion thereof contingent upon the future use made of the land and its economic return to the landowner for a period of time not to exceed the unexpired period of the contract, had it not been canceled, provided:

(1) The cancellation is caused by an involuntary transfer or change in the use which may be made of the land and the land is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to the owner;

(2) The board or council has determined it is in the best interests of the program to conserve agricultural land use that such payment be either deferred or not required; and

(3) The waiver is approved by the Secretary of the Resources Agency.

(d) When deferred taxes required by this section are collected, they shall be transmitted by the county treasurer to the State Controller and be deposited in the State General Fund.

SEC. 14. Section 65563 of the Government Code is

amended to read:

65563. Every city and county shall, by June 30, 1972, prepare, adopt and submit to the Secretary of the Resources Agency a local open-space plan for the comprehensive and long-range preservation and conservation of open-space land within its jurisdiction.

SEC. 15. Section 65570 of the Government Code is amended to read:

65570. (a) The State Office of Planning and Research shall prepare an inventory of present and potential prime agricultural land resources in California, together with estimates of the amounts of such land that should be preserved during the following decade in order to carry out the purposes of Section 51220 of this code. Such inventory shall also include, but is not limited to, the various types and uses of prime agricultural land, the identification of critical uses or specific areas of statewide importance, and estimates of the amounts of prime or potentially prime land within each city or county that may require preservation.

(b) The Secretary of the Resources Agency may establish, after notice and hearing, rules and regulations, and require reports from local officials and may employ, borrow, or contract for such staff or other forms of assistance as are reasonably necessary to carry out the provisions of Sections 16107 to 16118, inclusive, of this code. In carrying out his duties under those sections, it is the intention of the Legislature that the secretary shall consult with the Director of the Department of Agriculture and the Director of the State Office of Planning and Research.

SEC. 16. Section 255.4 of the Revenue and Taxation Code is amended to read:

255.4. (a) The claim form required to be sent to homeowners by Section 255.3 shall be accompanied by a notice to read as follows:

"ATTENTION HOMEOWNERS OVER 62

"You may be eligible for additional property tax relief.

"Under the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Relief Act funded by the 1971 Legislature, homeowners 62 years of age or older with incomes of $10,000 or less are eligible for a state refund of part of their property taxes. This relief is available for the taxes you have paid last December and this April.

"This refund will afford you an additional and substantial reduction in your property taxes.

"For further information, contact the office of the Franchise Tax Board in your area."

(b) Each county shall insert in the notice required by

subdivision (a) the address and telephone number of the Franchise Tax Board office in, or nearest to, the county.

SEC. 17. Section 2611.5 of the Revenue and Taxation Code is amended to read:

2611.5. (a) The following information shall be included either in each county tax bill or in a separate statement accompanying the tax bill:

(1) The full cash value and the assessed value of locally assessed property;

(2) The assessment ratio used to determine the assessed value; and

(3) The tax rates or the dollar amounts of taxes levied by each revenue district and taxing agency on the property covered by the tax bill.

(4) In lieu of itemizing the information required by paragraph (3), the tax rates or dollar amounts of taxes levied on the property covered by the bill for county and city purposes. The tax rates or dollar amounts of taxes levied on the property for other purposes shall be itemized. This option is available only if the information is included on the tax bill.

(b) With respect to any property for which the homeowners' property tax exemption is granted, the tax bill or accompanying statement shall include, in addition to the information required by subdivision (a), the following:

(1) The assessed value of the property;

(2) The amount of the homeowners' exemption;

(3) The total tax rate applicable on the property covered by the tax bill;

(4) The gross taxes prior to the application of the homeowners' exemption;

(5) The amount of tax reduction attributable to the homeowners' exemption; and

(6) The total taxes due on the property covered by the tax bill.

(c) The information required by subdivision (b) for single-family homes shall be in the form of the following example:

(1) Assessed value of the property	$5,000
(2) Homeowners' exemption	$750
(3) Total tax rate applicable to the property	$10
(4) Gross taxes prior to the application of the homeowners' exemption	$500
(5) Tax reduction attributable to the state-financed homeowners' property tax relief program	$75
(6) Total taxes due	$425

(d) In any year in which all of the assessments on the local secured roll have been raised or lowered as a result of a board order adopted pursuant to Section 9, Article XIII of the

California Constitution, the full cash value may be omitted or, if shown, the tax bill shall include an explanation of the inconsistency of that figure with the equalized assessed value and the announced assessment ratio. The explanation required by this subdivision may be printed on an enclosure accompanying such bill.

SEC. 18. Section 26..5.6 of the Revenue and Taxation Code is amended to read:

2615.6. (a) When the county sends to any person a tax bill, it shall be accompanied by a notice to read as follows:

"ATTENTION HOMEOWNERS OVER 62

"You may be eligible for additional property tax relief.

"Under the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Relief Act funded by the 1971 Legislature, homeowners 62 years of age or older with incomes of $10,000 or less are eligible for a state refund of part of their property taxes. This relief is available for the taxes you paid in December and in April.

"This refund will afford you an additional and substantial reduction in your property taxes. You may file for this property tax relief on or after May 15th and claims will be paid on or after July 1st.

"For further information, contact the office of the Franchise Tax Board in your area."

(b) Each county shall insert in the notice required by subdivision (a) the address and telephone number of the Franchise Tax Board office in, or nearest to, the county.

SEC. 19. Section 6006 of the Revenue and Taxation Code is repealed.

SEC. 20. Section 6006 is added to the Revenue and Taxation Code, to read:

6006. "Sale" means and includes:

(a) Any transfer of title or possession, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration. "Transfer of possession," includes only transactions found by the board to be in lieu of a transfer of title, exchange, or barter.

(b) The producing, fabricating, processing, printing, or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing, or imprinting.

(c) The furnishing and distributing of tangible personal property for a consideration by social clubs and fraternal organizations to their members or others.

(d) The furnishing, preparing, or serving for a

consideration of food, meals, or drinks, except when such food, meals, or drinks are a part of the board and care of mentally retarded persons receiving public assistance and placed in homes approved by a county for their full-time board and care.

(e) A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price.

(f) A transfer for a consideration of the title or possession of tangible personal property which has been produced, fabricated, or printed to the special order of the customer, or of any publication.

(g) Any lease of tangible personal property in any manner or by any means whatsoever, for a consideration, except a lease of:

(1) Motion picture, including television, films and tapes.

(2) Linen supplies and similar articles when an essential part of the lease agreement is the furnishing of the recurring service of laundering or cleaning the articles.

(3) Household furnishings with a lease of the living quarters in which they are to be used.

(4) Mobile transportation equipment for use in transportation of persons or property as defined in Section 6023.

(5) Tangible personal property leased in substantially the same form as acquired by the lessor or leased in substantially the same form as acquired by a transferor, as to which the lessor or transferor has paid sales tax reimbursement pursuant to Section 6052 or has paid use tax measured by the purchase price of the property. For purposes hereof, transferor shall mean the following:

(A) A person from whom the lessor acquired the property in a transaction described in subdivision (b) of Section 6006.5.

(B) A decedent from whom the lessor acquired the property by will or the laws of succession.

SEC. 21. Section 6363.6 of the Revenue and Taxation Code is repealed.

SEC. 22. Section 6363.6 is added to the Revenue and Taxation Code, to read:

6363.6. There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage, use or other consumption in this state of, meals and food products for human consumption furnished or served to and consumed—

(a) By patients or inmates of any institution which is:

(1) A hospital as defined in Section 1401 of the Health and Safety Code, which either holds the license required pursuant to Section 1400, or is exempt from the license requirement pursuant to Section 1415 of that code.

(2) A place for the reception or care of children holding the license or permit required pursuant to Section 16000 of the Welfare and Institutions Code.

(3) A place for the reception and care of aged persons holding the license or permit required pursuant to Section 16200 of the Welfare and Institutions Code.

(4) An establishment for the care, custody, or treatment of incompetent persons holding the license required of private institutions pursuant to Section 7001 of the Welfare and Institutions Code, or county or state hospitals for the mentally ill established pursuant to Division 7 (commencing with Section 7000) of the same code.

(b) By patients released from state hospitals when the meals are served by homes certificated pursuant to Section 16200.5 of the Welfare and Institutions Code (as added by Chapter 360, Statutes of 1967).

SEC. 23. Section 17211.6 of the Revenue and Taxation Code is amended to read:

17211.6. (a) Except as provided in subdivisions (b) and (c) of this section, in the case of Section 18212 property, subdivision (b) of Section 17208 shall not apply and the term "reasonable allowance" as used in subdivision (a) of Section 17208 shall include an allowance computed in accordance with regulations prescribed by the Franchise Tax Board, under any of the following methods:

(1) The straight line method.

(2) The declining balance method, using a rate not exceeding 150 percent of the rate which would have been used had the annual allowance been computed under the method described in paragraph (1), or

(3) Any other consistent method productive of an annual allowance which, when added to all allowances for the period commencing with the taxpayer's use of the property and including the taxable year, does not, during the first two-thirds of the useful life of the property, exceed the total of such allowances which would have been used had such allowances been computed under the method described in paragraph (2).

Nothing in this subdivision shall be construed to limit or reduce an allowance otherwise allowable under subdivision (a) of Section 17208 except where allowable solely by reason of paragraph (2), (3), or (4) of subdivision (b) of Section 17208.

(b) (1) Subdivision (a) of this section shall not apply, and subdivision (b) of Section 17208 shall apply in any taxable year, to a building or structure—

(A) Which is residential rental property located within the United States or any of its possessions, or located within a foreign country if a method of depreciation for such property

comparable to the method provided in paragraph (2) or (3) of subdivision (b) of Section 17208 is provided by the laws of such country, and

(B) The original use of which commences with the taxpayer. In the case of residential rental property located within a foreign country, the original use of which commences with the taxpayer, if the allowance for depreciation provided under the laws of such country for such property is greater than that provided under subdivision (a) of this section, but less than that provided under subdivision (b) of Section 17208, the allowance for depreciation under subdivision (b) of Section 17208 shall be limited to the amount provided under the laws of such country.

(2) For purposes of paragraph (1), a building or structure shall be considered to be residential rental property for any taxable year only if 80 percent or more of the gross rental income from such building or structure for such year is rental income from dwelling units (within the meaning of paragraph (3) of subdivision (c) of Section 17211.7). For purposes of the preceding sentence, if any portion of such building or structure is occupied by the taxpayer, the gross rental income from such building or structure shall include the rental value of the portion so occupied.

(3) Any change in the computation of the allowance for depreciation for any taxable year, permitted or required by reason of the application of paragraph (1) of subdivision (b) of this section, shall not be considered a change in a method of accounting.

(c) Subdivision (a) of this section shall not apply, and subdivision (b) of Section 17208 shall apply, in the case of property—

(1) The construction, reconstruction, or erection of which was begun before January 1, 1971, or

(2) For which a written contract entered into before January 1, 1971, with respect to any part of the construction, reconstruction, or erection or for the permanent financing thereof, was on January 1, 1971, and at all times thereafter, binding on the taxpayer.

(d) Except as provided in subdivision (e), in the case of Section 18212 property acquired after December 31, 1970 the original use of which does not commence with the taxpayer, the allowance for depreciation under Sections 17208 to 17211.7, inclusive, shall be limited to an amount computed under—

(1) The straight line method, or

(2) Any other method determined by the Franchise Tax Board to result in a reasonable allowance under subdivision (a) of Section 17208, not including—

(A) Any declining balance method,

(B) The sum of the years-digits method, or

(C) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 17208 or paragraph (3) of subdivision (a) of this section.

(e) In the case of Section 18212 property which is residential rental property (as defined in paragraph (2) of subdivision (b)) acquired after December 31, 1970, having a useful life of 20 years or more, the original use of which does not commence with the taxpayer, the allowance for depreciation under Sections 17208 to 17211.7, inclusive, shall be limited to an amount computed under—

(1) The straight line method,

(2) The declining balance method, using a rate not exceeding 125 percent of the rate which would have been used had the annual allowance been computed under the method described in paragraph (1), or

(3) Any other method determined by the Franchise Tax Board to result in a reasonable allowance under subdivision (a) of Section 17208, not including—

(A) The sum of the years-digits method,

(B) Any declining balance method using a rate in excess of the rate permitted under paragraph (2), or

(C) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 17208 or paragraph (3) of subdivision (a) of this section.

(f) (1) For purposes of subdivisions (b), (d), and (e), if Section 18212 property which is not property described in subdivision (a) of Section 17208 when its original use commences, becomes property described in subdivision (a) of Section 17208 after December 31, 1970, such property shall not be treated as property the original use of which commences with the taxpayer.

(2) Subdivisions (d) and (e) shall not apply in the case of Section 18212 property acquired after December 31, 1970, pursuant to a written contract for the acquisition of such property or for the permanent financing thereof, which was, on December 31, 1970, and at all times thereafter, binding on the taxpayer.

SEC. 24. Section 17235 of the Revenue and Taxation Code is amended to read:

17235. (a) Except as provided in subdivision (b), any amount (allowable as a deduction without regard to this section), which is attributable to the planting, cultivation, maintenance, or development of any citrus or almond grove (or part thereof), and which is incurred before the close of the fourth taxable year beginning with the taxable year in which the trees were planted, shall be charged to capital account. For purposes of the preceding sentence, the portion of a citrus or almond grove planted in one taxable year shall be treated

separately from the portion of such grove planted in another taxable year.

(b) Subdivision (a) shall not apply to amounts allowable as deductions (without regard to this section), and attributable to a citrus or almond grove (or part thereof) which was:

(1) Replanted after having been lost or damaged (while in the hands of the taxpayer), by reason of freeze, disease, drought, pests or casualty, or

(2) Planted or replanted prior to the enactment of this section with respect to citrus groves, or planted or replanted prior to the effective date of the amendments to this section at the 1971 First Extraordinary Session of the Legislature with respect to almond groves.

SEC. 25. Section 17336 of the Revenue and Taxation Code is amended to read:

17336. (a) Section 17335 shall not apply to a distribution by a corporation of its stock, and the distribution shall be treated as a distribution of property to which Sections 17321 to 17324, inclusive, apply—

(1) If the distribution is, at the election of any of the shareholders (whether exercised before or after the declaration thereof), payable either—

(A) In its stock, or

(B) In property.

(2) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of property by some shareholders, and

(B) An increase in the proportionate interests of other shareholders in the assets or earnings and profits of the corporation.

(3) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of preferred stock by some common shareholders, and

(B) The receipt of common stock by other common shareholders.

(4) If the distribution is with respect to preferred stock, other than an increase in the conversion ratio of convertible preferred stock made solely to take account of a stock dividend or stock split with respect to the stock into which such convertible stock is convertible.

(5) If the distribution is of convertible preferred stock, unless it is established to the satisfaction of the Franchise Tax Board that such distribution will not have the result described in paragraph (2).

(b) For purposes of this section, Section 17335, and Sections 17321 to 17324, inclusive, the Franchise Tax Board shall prescribe regulations under which a change in conversion ratio, a change in redemption price, a difference

between redemption price and issue price, a redemption which is treated as a distribution to which Sections 17321 to 17324, inclusive, apply, or any transaction (including a recapitalization) having a similar effect on the interest of any shareholder shall be treated as a distribution with respect to any shareholder whose proportionate interest in the earnings and profits or assets of the corporation is increased by such change, difference, redemption, or similar transaction.

(c) (1) For purposes of this section and Section 17335, the term "stock" includes rights to acquire such stock.

(2) For purposes of subdivisions (a) and (b), the term "shareholder" includes a holder of rights or of convertible securities.

(d) Except as otherwise provided in this section, the amendments made to this section at the 1971 First Extraordinary Session of the Legislature shall apply with respect to distributions (or deemed distributions) made after December 31, 1970.

(e) (1) Paragraph (2) of subdivision (a) of this section shall not apply to a distribution (or deemed distribution) of stock made before January 1, 1991, with respect to stock (A) outstanding on January 10, 1969, (B) issued pursuant to a contract binding on January 10, 1969, on the distributing corporation, (C) which is additional stock of that class of stock which (as of January 10, 1969) had the largest fair market value of all classes of stock of the corporation (taking into account only stock outstanding on January 10, 1969, or issued pursuant to a contract binding on January 10, 1969), (D) described in subparagraph (C) of paragraph (3), or (E) issued in a prior distribution described in subparagraph (A), (B), (C), or (D).

(2) Paragraph (1) shall apply only if—

(A) The stock as to which there is a receipt of property was outstanding on January 10, 1969 (or was issued pursuant to a contract binding on January 10, 1969, on the distributing corporation), and

(B) If such stock and any stock described in subparagraph (A) of paragraph (1) were also outstanding on January 10, 1968, a distribution of property was made on or before January 10, 1969, with respect to such stock, and a distribution of stock was made on or before January 10, 1969, with respect to such stock described in subparagraph (A) of paragraph (1).

(3) Paragraph (1) shall cease to apply when at any time after October 9, 1969, the distributing corporation issues any of its stock (other than in a distribution of stock with respect to stock of the same class) which is not—

(A) Nonconvertible preferred stock,

(B) Additional stock of that class of stock which meets the requirements of subparagraph (C) of paragraph (1), or

(C) Preferred stock which is convertible into stock which meets the requirements of subparagraph (C) of paragraph (1) at a fixed conversion ratio which takes account of all stock dividends and stock splits with respect to the stock into which such convertible stock is convertible.

(4) For purposes of this subdivision, the term "stock" includes rights to acquire such stock.

(f) In cases to which Treasury Decision 6990 (promulgated January 10, 1969) would not have applied, in applying subdivisions (d) and (e), April 22, 1969, shall be substituted for January 10, 1969.

(g) Paragraph (4) of subdivision (a) of this section shall not apply to any distribution (or deemed distribution) with respect to preferred stock (including any increase in the conversion ratio of convertible stock) made before January 1, 1991, pursuant to the terms relating to the issuance of such stock which were in effect on January 10, 1969.

(h) With respect to distributions made or considered as made after January 10, 1969, in taxable years ending after such date, to the extent that the amendments to this section made by the 1971 First Extraordinary Session of the Legislature do not apply by reason of subdivision (e), (f), or (g) of this section, Sections 17335 and 17336 (as in effect before amendment of this section at the 1971 First Extraordinary Session of the Legislature) shall continue to apply.

SEC. 26. Section 17415 of the Revenue and Taxation Code is amended to read:

17415. (a) For purposes of subdivision (a) of Section 17411, a corporation shall not be considered to be a collapsible corporation with respect to any sale or exchange of stock of the corporation by a shareholder, if, at the time of such sale or exchange, the sum of—

(1) The net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (1) of subdivision (e)), plus

(2) If the shareholder owns more than 5 percent in value of the outstanding stock of the corporation, the net unrealized appreciation in assets of the corporation (other than assets described in paragraph (1)) which would be Section 17415 assets under subparagraphs (A) and (C) of paragraph (1) of subdivision (e) if the shareholder owned more than 20 percent in value of such stock, plus

(3) If the shareholder owns more than 20 percent in value of the outstanding stock of the corporation and owns, or at any time during the preceding three-year period owned, more than 20 percent in value of the outstanding stock of any other corporation more than 70 percent in value of the assets of which are, or were at any time during which such shareholder owned during such three-year

period more than 20 percent in value of the outstanding stock, assets similar or related in service or use to assets comprising more than 70 percent in value of the assets of the corporation, the net unrealized appreciation in assets of the corporation (other than assets described in paragraph (1)) which would be Section 17415 assets under subparagraphs (A) and (C) of paragraph (1) of subdivision (e) if the determination whether the property, in the hands of such shareholder, would be property gain from the sale or exchange of which would under any provision of this chapter be considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182, were made—

(A) By treating any sale or exchange by such shareholder of stock in such other corporation within the preceding three-year period (but only if at the time of such sale or exchange the shareholder owned more than 20 percent in value of the outstanding stock in such other corporation) as a sale or exchange by such shareholder of his proportionate share of the assets of such other corporation, and

(B) By treating any sale or exchange of property by such other corporation within such three-year period (but only if at the time of such sale or exchange the shareholder owned more than 20 percent in value of the outstanding stock in such other corporation), gain or loss on which was not recognized to such other corporation under Section 24512 of the Bank and Corporation Tax Law, as a sale or exchange by such shareholder of his proportionate share of the property sold or exchanged,

does not exceed an amount equal to 15 percent of the net worth of the corporation. This paragraph shall not apply to any sale or exchange of stock to the issuing corporation or, in the case of a shareholder who owns more than 20 percent in value of the outstanding stock of the corporation, to any sale or exchange of stock by such shareholder to any person related to him (within the meaning of subdivision (h)).

(b) For purposes of subdivision (b) of Section 17411, a corporation shall not be considered to be a collapsible corporation with respect to any distribution to a shareholder pursuant to a plan of complete liquidation if, by reason of the application of subdivision (d) of this section, Section 24512 of the Bank and Corporation Tax Law applies to sales or exchanges of property by the corporation within the 12-month period beginning on the date of the adoption of such plan, and if, at all times after the adoption of the plan of liquidation, the sum of—

(1) The net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (1) of subdivision

(e)), plus

(2) If the shareholder owns more than 5 percent in value of the outstanding stock of the corporation, the net unrealized appreciation in assets of the corporation described in paragraph (2) of subdivision (a) (other than assets described in paragraph (1) of this subdivision), plus

(3) If the shareholder owns more than 20 percent in value of the outstanding stock of the corporation and owns, or at any time during the preceding three-year period owned, more than 20 percent in value of the outstanding stock of any other corporation more than 70 percent in value of the assets of which are, or were at any time during which such shareholder owned during such three-year period more than 20 percent in value of the outstanding stock, assets similar or related in service or use to assets comprising more than 70 percent in value of the assets of the corporation, the net unrealized appreciation in assets of the corporation described in paragraph (3) of subdivision (a) (other than assets described in paragraph (1) of this subdivision), does not exceed an amount equal to 15 percent of the net worth of the corporation.

(c) For purposes of Section 17402, a corporation shall not be considered to be a collapsible corporation if at all times after the adoption of the plan of liquidation, the net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (2) of subdivision (e)) does not exceed an amount equal to 15 percent of the net worth of the corporation.

(d) For purposes of Sections 24512 to 24514, inclusive, of the Bank and Corporation Tax Law, a corporation shall not be considered to be a collapsible corporation with respect to any sale or exchange by it of property within the 12-month period beginning on the date of the adoption of a plan of complete liquidation, if—

(1) At all times after the adoption of such plan, the net unrealized appreciation in Section 17415 assets of the corporation (as defined in paragraph (1) of subdivision (e)) does not exceed an amount equal to 15 percent of the net worth of the corporation,

(2) Within the 12-month period beginning on the date of the adoption of such plan, the corporation sells substantially all of the properties held by it on such date, and

(3) Following the adoption of such plan, no distribution is made of any property which in the hands of the corporation or in the hands of the distributee is property in respect of which a deduction for exhaustion, wear and tear, obsolescence, amortization, or depletion is allowable.

This paragraph shall not apply with respect to any sale or exchange of property by the corporation to any shareholder

who owns more than 20 percent in value of the outstanding stock of the corporation or to any person related to such shareholder (within the meaning of subdivision (h)), if such property in the hands of the corporation or in the hands of such shareholder or related person is property in respect of which a deduction for exhaustion, wear and tear, obsolescence, amortization, or depletion is allowable.

(e) (1) For purposes of subdivisions (a), (b) and (d), the term "Section 17415 asset" means, with respect to property held by any corporation—

(A) Property (except property used in the trade or business, as defined in subdivision (i)) which in the hands of the corporation is, or, in the hands of a shareholder who owns more than 20 percent in value of the outstanding stock of the corporation, would be, property gain from the sale or exchange of which would under any provision of this part be considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182;

(B) Property used in the trade or business (as defined in subdivision (i)), but only if the unrealized depreciation on all such property on which there is unrealized depreciation exceeds the unrealized appreciation on all such property on which there is unrealized appreciation;

(C) If there is net unrealized appreciation on all property used in the trade or business (as defined in subdivision (i)), which, in the hands of a shareholder who owns more than 20 percent in value of the outstanding stock of the corporation, would be property gain from the sale or exchange of which would under any provision of this part considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182; and

(D) Property (unless included under subparagraph (A), (B), or (C)) which consists of a copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property, or any interest in any such property, if the property was created in whole or in part by the personal efforts of, or (in the case of a letter, memorandum, or similar property) was prepared, or produced in whole or in part for, any individual who owns more than 5 percent in value of the stock of the corporation.

The determination as to whether property of the corporation in the hands of the corporation is, or in the hands of a shareholder would be property gain from the sale or exchange of which would under any provision of this part be considered in whole or in part as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182 shall be made as if all property of

the corporation has been sold or exchanged to one person in one transaction.

(2) For purposes of subdivision (c), the term "Section 17415 asset" means, with respect to property held by any corporation, property described in subparagraphs (A), (B), (C), and (D) of paragraph (1), except that subparagraphs (A) and (C) shall apply in respect of any shareholder who owns more than 5 percent in value of the outstanding stock of the corporation (in lieu of any shareholder who owns more than 20 percent in value of such stock).

(f) (1) For purposes of this section, the term "net unrealized appreciation" means, with respect to the assets of a corporation, the amount by which—

(A) The unrealized appreciation in such assets on which there is unrealized appreciation, exceeds

(B) The unrealized depreciation in such assets on which there is unrealized depreciation.

(2) For purposes of paragraph (1) and subparagraph (A) of paragraph (1) of subdivision (e), the term "unrealized appreciation" means, with respect to any asset, the amount by which—

(A) The fair market value of such asset, exceeds

(B) The adjusted basis for determining gain from the sale or other disposition of such asset.

(3) For purposes of paragraph (1) and subparagraph (A) of paragraph (1) of subdivision (e), the term "unrealized depreciation" means, with respect to any asset, the amount by which—

(A) The adjusted basis for determining gain from the sale or other disposition of such asset, exceeds

(B) The fair market value of such asset.

(4) For purposes of this subdivision (but not subparagraph (A) of paragraph (1) of subdivision (e)), in the case of any asset on the sale or exchange of which only a portion of the gain would under any provision of this part be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in Section 18182, there shall be taken into account only an amount of the unrealized appreciation in such asset which is equal to such portion of the gain.

(g) For purposes of this section, the net worth of a corporation, as of any day, is the amount by which—

(1) (A) The fair market value of all its assets at the close of such day, plus

(B) The amount of any distribution in complete liquidation made by it on or before such day, exceeds

(2) All its liabilities at the close of such day.

For purposes of this subdivision, the net worth of a corporation as of any day shall not take into account any

increase in net worth during the one-year period ending on such day to the extent attributable to any amount received by it for stock, or as a contribution to capital or as paid-in surplus, if it appears that there was not a bona fide business purpose for the transaction in respect of which such amount was received.

(h) For purposes of subdivisions (a) and (d), the following persons shall be considered to be related to a shareholder:

(1) If the shareholder is an individual—

(A) His spouse, ancestors, and lineal descendants, and

(B) A corporation which is controlled by such shareholder.

(2) If the shareholder is a corporation—

(A) A corporation which controls, or is controlled by the shareholder, and

(B) If more than 50 percent in value of the outstanding stock of the shareholder is owned by any person, a corporation more than 50 percent in value of the outstanding stock of which is owned by the same person.

For purposes of determining the ownership of stock in applying paragraphs (1) and (2), the rules of Section 17289 shall apply, except that the family of an individual shall include only his spouse, ancestors, and lineal descendants. For purposes of this subdivision, control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of shares of all classes of stock of the corporation.

(i) For purposes of this section, the term "property used in the trade or business" means property described in Section 18182, without regard to any holding period therein provided.

(j) For purposes of this section (other than subdivision (h)), the ownership of stock shall be determined in the manner prescribed in Section 17414.

(k) In determining whether or not any corporation is a collapsible corporation within the meaning of Section 17412, the fact that such corporation, or such corporation with respect to any of its shareholders, does not meet the requirements of subdivision (a), (b), (c), or (d) of this section shall not be taken into account, and such determination, in the case of a corporation which does not meet such requirements, shall be made as if this section had not been enacted.

SEC. 27. Section 17461 of the Revenue and Taxation Code is amended to read:

17461. (a) For the purposes of Article 1 (commencing with Section 17321) to Article 7 (commencing with Section 17431), inclusive, of this chapter, the term "reorganization" means—

(1) A statutory merger or consolidation;

(2) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of stock of another corporation if, immediately after the acquisition, the acquiring corporation has control of such other corporation (whether or not such acquiring corporation had control immediately before the acquisition);

(3) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of substantially all of the properties of another corporation, but in determining whether the exchange is solely for stock the assumption by the acquiring corporation of a liability of the other, or the fact that property acquired is subject to a liability, shall be disregarded;

(4) A transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor, or one or more of its shareholders (including persons who were shareholders immediately before the transfer), or any combination thereof, is in control of the corporation to which the assets are transferred; but only if, in pursuance of the plan, stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under Sections 17432 to 17439, inclusive;

(5) A recapitalization; or

(6) A mere change in identity, form, or place of organization, however effected.

(b) (1) If a transaction is described in both paragraph (3) and paragraph (4) of subdivision (a), then, for purposes of this chapter, such transactions shall be treated as described only in paragraph (4) of subdivision (a).

(2) If—

(A) One corporation acquires substantially all of the properties of another corporation,

(B) The acquisition would qualify under paragraph (3) of subdivision (a) but for the fact that the acquiring corporation exchanges money or other property in addition to voting stock, and

(C) The acquiring corporation acquires, solely for voting stock described in paragraph (3) of subdivision (a), property of the other corporation having a fair market value which is at least 80 percent of the fair market value of all of the property of the other corporation,

then such acquisition shall (subject to paragraph (1) of this subdivision) be treated as qualifying under paragraph (3) of subdivision (a). Solely for the purpose of determining

whether subparagraph (C) of the preceding sentence applies, the amount of any liability assumed by the acquiring corporation, and the amount of any liability to which any property acquired by the acquiring corporation is subject, shall be treated as money paid for the property.

(3) A transaction otherwise qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) shall not be disqualified by reason of the fact that part or all of the assets which were acquired in the transaction are transferred to a corporation controlled by the corporation acquiring such assets.

(4) The acquisition by one corporation, in exchange for stock of a corporation (referred to in this paragraph as "controlling corporation") which is in control of the acquiring corporation, of substantially all of the properties of another corporation which in the transaction is merged into the acquiring corporation shall not disqualify a transaction under paragraph (1) of subdivision (a), if—

(A) Such transaction would have qualified under paragraph (1) of subdivision (a) if the merger had been into the controlling corporation, and

(B) No stock of the acquiring corporation is used in the transaction.

(5) A transaction otherwise qualifying under paragraph (1) of subdivision (a) shall not be disqualified by reason of the fact that stock of a corporation (referred to in this paragraph as the "controlling corporation") which before the merger was in control of the merged corporation is used in the transaction, if—

(A) After the transaction, the corporation surviving the merger holds substantially all of its properties and of the properties of the merged corporation (other than stock of the controlling corporation distributed in the transaction); and

(B) In the transaction, former shareholders of the surviving corporation exchanged, for an amount of voting stock of the controlling corporation, an amount of stock in the surviving corporation which constitutes control of such corporation.

(c) The amendments made to this section by the 1971 First Extraordinary Session of the Legislature shall apply to statutory mergers occurring after December 31, 1970.

SEC. 28. Section 17462 of the Revenue and Taxation Code is amended to read:

17462. For purposes of this article, the term "a party to a reorganization" includes—

(a) A corporation resulting from a reorganization, and

(b) Both corporations, in the case of a reorganization resulting from the acquisition by one corporation of stock or properties of another.

In the case of a reorganization qualifying under paragraph (2) or paragraph (3) of subdivision (a) of Section 17461, if the stock exchanged for the stock or properties is stock of a corporation which is in control of the acquiring corporation, the term "a party to reorganization" includes the corporation so controlling the acquiring corporation. In the case of a reorganization qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) of Section 17461 by reason of paragraph (3) of subdivision (b) of Section 17461, the term "a party to a reorganization" includes the corporation controlling the corporation to which the acquired assets or stock are transferred. In the case of a reorganization qualifying under paragraph (1) of subdivision (a) by reason of paragraph (4) of subdivision (b) of Section 17461, the term "a party to a reorganization" includes the controlling corporation referred to in such paragraph (4) of subdivision (b). In the case of a reorganization qualifying under paragraph (1) of subdivision (a) of Section 17461, by reason of paragraph (5) of subdivision (b) of Section 17461, the term "party to a reorganization" includes the controlling corporation referred to in paragraph (5) of subdivision (b) of Section 17461.

(c) The amendments made to this section by the 1971 First Extraordinary Session of the Legislature shall apply to statutory mergers occurring after December 31, 1970.

SEC. 29. Section 17502.8 of the Revenue and Taxation Code is amended to read:

17502.8. (a) In the case of a trust forming part of a pension plan which has been determined by the Franchise Tax Board to constitute a qualified trust under Section 17501 and to be exempt from taxation under Section 17631 for a period beginning after contributions were first made to or for such trust, if it is shown to the satisfaction of the Franchise Tax Board that—

(1) Such trust was created pursuant to a collective bargaining agreement between employee representative and one or more employers who are not related,

(2) Any disbursements of contributions made to or for such trust before the time as of which the Franchise Tax Board determined that the trust constituted a qualified trust, substantially complied with the terms of the trust, and the plan of which the trust is a part, as subsequently qualified, and

(3) Before the time as of which the Franchise Tax Board determined that the trust constitutes a qualified trust, the contributions to or for such trust were not used in a manner which would jeopardize the interest of its beneficiaries,

then such trust shall be considered as having constituted a qualified trust under Section 17501 and as having been

exempt from taxation under Section 17631 for the period beginning on the date on which contributions were first made to or for such trust and ending on the date such trust first constituted (without regard to this section) a qualified trust under Section 17501.

(b) The amendments made to paragraph (1) of subdivision (a) by the 1971 First Extraordinary Session of the Legislature shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1954, but only with respect to contributions made after December 31, 1954.

SEC. 30. Section 17790 of the Revenue and Taxation Code is amended to read:

17790. The grantor shall be treated as the owner of any portion of a trust, whether or not he is treated as such owner under Sections 17784 to 17787, inclusive, whose income without the approval or consent of any adverse party is, or, in the discretion of the grantor or a nonadverse party, or both, may be—

(a) Distributed to the grantor or the grantor's spouse;

(b) Held or accumulated for future distribution to the grantor or the grantor's spouse; or

(c) Applied to the payment of premiums on policies of insurance on the life of the grantor or the grantor's spouse (except policies of insurance irrevocably payable for a purpose specified in Section 17214 (relating to definition of charitable contributions)).

This section shall not apply to a power the exercise of which can only affect the beneficial enjoyment of the income for a period commencing after the expiration of a period such that the grantor would not be treated as the owner under Section 17783 if the power were a reversionary interest; but the grantor may be treated as the owner after the expiration of the period unless the power is relinquished. The amendments to this section made at the 1971 First Extraordinary Session of the Legislature shall apply in respect of property transferred in trust after October 9, 1969.

SEC. 31. Section 17791 of the Revenue and Taxation Code is amended to read:

17791. (a) Income of a trust shall not be considered taxable to the grantor under Section 17790 or any other provision of this part merely because such income in the discretion of another person, the trustee, or the grantor acting as trustee or cotrustee, may be applied or distributed for the support or maintenance of a beneficiary (other than the grantor's spouse) whom the grantor is legally obligated to support or maintain, except to the extent that such income is so applied or distributed. In cases where the amounts so applied or distributed are paid out of corpus or out of other than income for the taxable year, such amounts shall be

considered to be an amount paid or credited within the meaning of paragraph (2) of subdivision (a) of Section 17761 and shall be taxed to the grantor under Section 17762 to 17764, inclusive.

(b) The amendments to this section made at the 1971 First Extraordinary Session of the Legislature shall apply in respect of property transferred in trust after October 9, 1969.

SEC. 32. Section 18183 of the Revenue and Taxation Code is amended to read:

18183. For the purpose of this part, in the case of bonds, debentures, notes, or certificates or other evidences of indebtedness, which are capital assets in the hands of the taxpayer, and which are issued by any corporation, or by any government or political subdivision thereof—

(a) Amounts received by the holder on retirement of such bonds or other evidences of indebtedness shall be considered as amounts received in exchange therefor (except that in the case of bonds or other evidences of indebtedness issued before January 1, 1955, this subdivision shall apply only to those issued with interest coupons or in registered form, or to those in such form on December 31, 1954).

(b) (1) Except as provided in paragraph (3), on the sale or exchange of bonds or other evidences of indebtedness issued by a corporation after May 27, 1969 held by the taxpayer more than six months, any gain realized shall (except as provided in the following sentence) be considered gain from the sale or exchange of a capital asset held for more than six months. If at the time of original issue there was an intention to call the bond or other evidence of indebtedness before maturity, any gain realized on the sale or exchange thereof which does not exceed an amount equal to the original issue discount (as defined in Section 18184) reduced by the portion of original issue discount previously includable in the gross income of any holder (as provided in paragraph (2) of subdivison (c)) shall be considered as gain from the sale or exchange of property which is not a capital asset.

(2) Except as provided in paragraph (3), on the sale or exchange of bonds or other evidences of indebtedness issued by a government or political subdivision thereof after December 31, 1954, or by a corporation after December 31, 1954, and on or before May 27, 1969, held by the taxpayer more than six months, any gain realized which does not exceed—

(A) An amount equal to the original issue discount (as defined in Section 18184), or

(B) If at the time of original issue there was no intention to call the bond or other evidence of indebtedness before maturity, an amount which bears the same ratio to the original issue discount (as defined in Section 18184) as the

number of complete months that the bond or other evidence of indebtedness was held by the taxpayer bears to the number of complete months from the date of original issue to the date of maturity,

shall be considered as gain from the sale or exchange of property which is not a capital asset. Gain in excess of such amount shall be considered gain from the sale or exchange of a capital asset held more than six months.

(3) This subdivision shall not apply to—

(A) Obligations the interest on which is not includable in gross income under Section 17137 (relating to certain governmental obligations); or

(B) Any holder who has purchased the bond or other evidence of indebtedness at a premium.

(4) In the case of obligations with respect to which the taxpayer has made an election provided by Section 17581 (relating to accounting rules for certain obligations issued at a discount), this section shall not require the inclusion of any amount previously includable in gross income.

(c) (1) There shall be included in the gross income of the holder of any bond or other evidence of indebtedness issued by a corporation after May 27, 1969, the ratable monthly portion of original issue discount multiplied by the number of complete months (plus any fractional part of a month determined in accordance with the last sentence of this paragraph) such holder held such bond or other evidence of indebtedness during the taxable year. Except as provided in paragraph (2), the ratable monthly portion of original issue discount shall equal the original issue discount (as defined in Section 18184) divided by the number of complete months from the date of original issue to the stated maturity date of such bond or other evidence of indebtedness. For purposes of this section, a complete month commences with the date of original issue and the corresponding day of each succeeding calendar month (or the last day of a calendar month in which there is no corresponding day); and, in any case where a bond or other evidence of indebtedness is acquired on any other day, the ratable monthly portion of original issue discount for the complete month in which such acquisition occurs shall be allocated between the transferor and the transferee in accordance with the number of days in such complete month each held the bond or other evidence of indebtedness.

(2) For purposes of this subdivision, the ratable monthly portion of original issue discount shall not include an amount, determined at the time of any purchase after the original issue of such bond or other evidence of indebtedness, equal to the excess of—

(A) The cost of such bond or other evidence of indebtedness incurred by such holder, over

(B) The issue price of such bond or other evidence of indebtedness increased by the portion of original discount previously includable in the gross income of any holder (computed without regard to this paragraph),

divided by the number of complete months (plus any fractional part of a month commencing with the date of purchase) from the date of such purchase to the stated maturity date of such bond or other evidence of indebtedness.

(3) For purposes of paragraph (2), the term "purchase" means any acquisition of a bond or other evidence of indebtedness, but only if the basis of the bond or other evidence of indebtedness is not determined in whole or in part by reference to the adjusted basis of such bond or other evidence of indebtedness in the hands of the person from whom acquired, or under Section 18044 (relating to property acquired from a decedent).

(4) This subdivision shall not apply to any holder who has purchased the bond or other evidence of indebtedness at a premium.

(5) The basis of any bond or other evidence of indebtedness in the hands of the holder thereof shall be increased by the amount included in his gross income pursuant to paragraph (1).

SEC. 33. Section 18551.1 of the Revenue and Taxation Code is amended to read:

18551.1. (a) (1) For purposes of this part, the amount withheld under Sections 18805 and 18806 during any calendar year shall be allowed to the recipient of the income as a credit against the tax imposed by this part.

(2) The amount so withheld during any calendar year shall be allowed as a credit for the taxable year beginning in such calendar year, except that, in the case of amounts deducted and withheld under Section 18805, the amount withheld shall be allowed as a credit for the taxable year with respect to which such amount was withheld. In the case of amounts withheld under Section 18806, if more than one taxable year begins in a calendar year, such amounts shall be allowed as a credit for the last taxable year so beginning.

(b) For purposes of Section 19053, any tax actually deducted and withheld during any calendar year under Sections 18805 and 18806 shall, in respect of the recipient of the income, be deemed to have been paid by him on the 15th day of the fourth month following the close of the taxable year with respect to which such tax is allowable as a credit under subdivision (a). For purposes of Sections 19053 and 19062, any amount paid as estimated income tax under Sections 18414, 18414.5, and 18415 for any taxable year shall be deemed to have been paid on the last day prescribed for filing the return under Section 18401 for such taxable year (determined

without regard to any extension of time for filing such return).

(c) Notwithstanding subdivision (b), for purposes of Section 19053 with respect to any tax deducted and withheld under Sections 18805 and 18806—

(1) If a return for any period ending with or within a calendar year is filed before April 15 of the succeeding calendar year, such return shall be considered filed on April 15 of such succeeding calendar year; and

(2) If a tax with respect to an amount paid during any period ending with or within a calendar year is paid before April 15 of the succeeding calendar year, such tax shall be considered paid on April 15 of such succeeding calendar year.

(d) If any overpayment of income tax is, in accordance with Section 19051.1, claimed as a credit against estimated tax for the succeeding taxable year, such amount shall be considered as a payment of the income tax for the succeeding taxable year (whether or not claimed as a credit in the return of estimated tax for such succeeding taxable year), and no claim for credit or refund of such overpayment shall be allowed for the taxable year in which the overpayment arises.

SEC. 34. Section 18588 of the Revenue and Taxation Code is amended to read:

18588. (a) For the purposes of Sections 18586, 18586.1, and 18587, a return of tax imposed by this part except a return of tax imposed by Article 1 (commencing with Section 18801) of Chapter 19 of this part (relating to withholding at source), filed before the last day prescribed by law for filing, shall be considered as filed on that day. For purposes of Section 19053, payment of any portion of the tax made before the last day prescribed for the payment of the tax shall be considered made on such last day.

(b) For purposes of this section, if a return of tax imposed by Article 1 (commencing with Section 18801) of Chapter 19 of this part (relating to withholding at the source), for any period ending with or within a calendar year is filed before April 15 of the succeeding calendar year, such return shall be considered filed on April 15 of such calendar year.

SEC. 35. Section 18685.01 of the Revenue and Taxation Code is amended to read:

18685.01. (a) In case of any underpayment of estimated tax required to be paid under Section 18556 by the date prescribed therein, or the period as extended under Section 18433, with respect to declarations required by Section 18414, a penalty of 10 percent of the amount of the underpayment shall be added to the tax for the taxable year and shall be due and payable upon notice and demand from the Franchise Tax Board unless it is shown that such underpayment is due to reasonable cause and not due to willful neglect.

(b) The amount of the underpayment of estimated tax upon which the penalty is based shall be determined under Section 18685.7.

(c) The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 36. Section 18697 of the Revenue and Taxation Code is amended to read:

18697. (a) Notwithstanding any section in this article to the contrary, in the case of any taxable year ending before enactment of the amendments made at the 1971 First Extraordinary Session of the Legislature, no interest on any underpayment of tax, to the extent such underpayment is attributable to the amendments made at the 1971 First Extraordinary Session of the Legislature, shall be assessed or collected.

(b) In the case of a taxable year beginning before enactment of the amendments made at the 1971 First Extraordinary Session of the Legislature, if any taxpayer is required to make a declaration of estimated tax, or to pay any amount or additional amount of estimated tax, by reason of the amendments made at the 1971 First Extraordinary Session of the Legislature such amount or additional amounts shall be paid on the due date for the return, as required by Section 18431, without penalty or interest.

SEC. 37. Section 23186 of the Revenue and Taxation Code is amended to read:

23186. (a) The rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this state, of every corporation taxable under Section 23151, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this state as franchise taxes according to or measured by such net income, and required to be paid to this state or its political subdivisions by such corporations as personal property taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 11 percent. The percentage of the net income of every corporation taxable under Section 23151, other than public utilities as defined in the Public Utilities Act, required to be paid to this state or its political subdivisions in personal property taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes, less 7 percent thereof, bears to the total amount of net income of such corporations allocable to California, increased by the amount of such personal property taxes; provided, however, that if any such corporation sustains a net loss allocable to

California the personal property taxes required to be paid by such corporation to this state or its political subdivisions during the preceding calendar year or fiscal years ended during such calendar year shall be considered for the purpose of determining such ratio only to the extent which such personal property taxes exceed such net loss allocable to California.

(b) For calendar or fiscal years ending after December 31, 1971 the 11 percent provided in the first sentence of subdivision (a) shall be 11.6 percent and the 7 percent provided in the second sentence shall be 7.6 percent.

SEC. 38. Section 23224.5 of the Revenue and Taxation Code is amended to read:

23224.5. After December 31, 1971, if a corporation, which has been subject to the provisions of Chapter 3 commences to do business in this state, such corporation shall pay a tax under Chapter 3 for the whole of the taxable year it commences to do such business, and for taxable years thereafter, such corporation shall be taxed in accordance with Section 23151.1.

SEC. 39. Section 23282 of the Revenue and Taxation Code is amended to read:

23282. (a) The tax imposed upon any taxpayer which has suffered the suspension or forfeiture provided in Section 23301, and which revives in any taxable year other than the taxable year in which suspension or forfeiture occurred, shall be computed in the same manner as provided in Sections 23222 to 23224, inclusive, relative to the computation of taxes upon taxpayers commencing to do business for the first time after incorporation or qualification. In addition to the taxes, penalties, and interest specified in Section 23305, such taxpayer shall prepay a tax in an amount equal to the minimum tax provided for in Section 23153 as a condition precedent to the issuance of a certificate of revivor.

(b) After December 31, 1971, the tax imposed upon any taxpayer which has suffered the suspension or forfeiture provided in Section 23301, and which revives in any taxable year other than the taxable year in which suspension or forfeiture occurred, shall be computed in the same manner as provided in subdivision (a) of Section 23151.1, or subdivision (b) of Section 23183, relative to the computation of taxes upon taxpayers commencing to do business for the first time after incorporation or qualification. In addition to the taxes, penalties, and interest specified in Section 23305, such taxpayer shall prepay the minimum tax imposed by this subdivision as a condition precedent to the issuance of a certificate of revivor.

SEC. 40. Section 23701d of the Revenue and Taxation Code is amended to read:

23701d. Corporations, community chests or trusts,

organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation and which does not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. An organization is not organized exclusively for exempt purposes listed above unless its assets are irrevocably dedicated to one or more purposes listed in this section. Dedication of assets requires that in the event of dissolution of an organization or the impossibility of performing the specific organizational purposes the assets would continue to be devoted to exempt purposes. Assets shall be deemed irrevocably dedicated to exempt purposes if the articles of organization provide that upon dissolution the assets will be distributed to an organization which is exempt under this section or Section 501(c)(3) of the Internal Revenue Code or to the federal government, or to a state or local government for public purposes; or by a provision in the articles of organization, satisfactory to the Franchise Tax Board; that the property will be distributed in trust for exempt purposes; or by establishing that the assets are irrevocably dedicated to exempt purposes by operation of law. The irrevocable dedication requirement shall not be a sole basis for revocation of an exempt determination made by the Franchise Tax Board prior to the effective date of this amendment.

SEC. 41. Section 24422.5 of the Revenue and Taxation Code is amended to read:

24422.5. (a) Except as provided in subdivision (b), any amount (allowable as a deduction without regard to this section), which is attributable to the planting, cultivation, maintenance, or development of any citrus or almond grove (or part thereof), and which is incurred before the close of the fourth income year beginning with the income year in which the trees were planted, shall be charged to capital account. For purposes of the preceding sentence, the portion of a citrus or almond grove planted in one income year shall be treated separately from the portion of such grove planted in another income year.

(b) Subdivision (a) shall not apply to amounts allowable as deductions (without regard to this section), and attributable to a citrus or almond grove (or part thereof) which was:

(1) Replanted after having been lost or damaged (while in the hands of the taxpayer), by reason of freeze, disease, drought, pests or casualty, or

(2) Planted or replanted prior to the enactment of this section with respect to citrus groves, or planted or replanted prior to the effective date of the amendments to this section at the 1971 First Extraordinary Session of the Legislature with respect to almond groves.

SEC. 42. Section 24463 of the Revenue and Taxation Code is amended to read:

24463. (a) Except as otherwise provided in this section, gross income does not include the amount of any distribution of the stock of a corporation made by such corporation to its shareholders with respect to its stock.

(b) Subdivision (a) shall not apply to a distribution by a corporation of its stock, and the distribution shall be treated as a distribution of property to which Sections 24451 to 24454, inclusive, apply—

(1) If the distribution is, at the election of any of the shareholders (whether exercised before or after the declaration thereof), payable either—

(A) In its stock, or

(B) In property.

(2) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of property by some shareholders, and

(B) An increase in the proportionate interests of other shareholders in the assets or earnings and profits of the corporation.

(3) If the distribution (or a series of distributions of which such distribution is one) has the result of—

(A) The receipt of preferred stock by some common shareholders, and

(B) The receipt of common stock by other common shareholders.

(4) If the distribution is with respect to preferred stock, other than an increase in the conversion ratio of convertible preferred stock made solely to take account of a stock dividend or stock split with respect to the stock into which such convertible stock is convertible.

(5) If the distribution is of convertible preferred stock, unless it is established to the satisfaction of the Franchise Tax Board that such distribution will not have the result described in paragraph (2).

(c) For purposes of this section and Sections 24451 to 24454, inclusive, the Franchise Tax Board shall prescribe regulations under which a change in conversion ratio, a change in redemption price, a difference between redemption price and issue price, a redemption which is treated as a distribution to which Sections 24451 to 24454, inclusive, apply, or any transaction (including a recapitalization) having a similar effect on the interest of any shareholder shall be

treated as a distribution with respect to any shareholder whose proportionate interest in the earnings and profits or assets of the corporation is increased by such change, difference, redemption, or similar transaction.

(d) (1) For purposes of this section, the term "stock" includes rights to acquire such stock.

(2) For purposes of subdivisions (b) and (c), the term "shareholder" includes a holder of rights or of convertible securities.

(e) Except as otherwise provided in this section, the amendments made to this section at the 1971 Regular Session of the Legislature shall apply with respect to distributions (or deemed distributions) made after December 31, 1970, in income years ending after that date.

(f) (1) Paragraph (2) of subdivision (b) of this section shall not apply to a distribution (or deemed distribution) of stock made before January 1, 1991, with respect to stock (A) outstanding on January 10, 1969, (B) issued pursuant to a contract binding on January 10, 1969, on the distributing corporation, (C) which is additional stock of that class of stock which (as of January 10, 1969) had the largest fair market value of all classes of stock of the corporation (taking into account only stock outstanding on January 10, 1969 or issued pursuant to a contract binding on January 10, 1969), (D) described in subparagraph (C) of paragraph (3), or (E) issued in a prior distribution described in subparagraph (A), (B), (C), or (D).

(2) Paragraph (1) shall apply only if—

(A) The stock as to which there is a receipt of property was outstanding on January 10, 1969 (or was issued pursuant to a contract binding on January 10, 1969, on the distributing corporation), and

(B) If such stock and any stock described in subparagraph (A) of paragraph (1) were also outstanding on January 10, 1968, a distribution of property was made on or before January 10, 1969, with respect to such stock, and a distribution of stock was made on or before January 10, 1969, with respect to such stock described in subparagraph (A) of paragraph (1).

(3) Paragraph (1) shall cease to apply when at any time after October 9, 1969, the distributing corporation issues any of its stock (other than in a distribution of stock with respect to stock of the same class) which is not—

(A) Nonconvertible preferred stock,

(B) Additional stock of that class of stock which meets the requirements of subparagraph (C) of paragraph (1), or

(C) Preferred stock which is convertible into stock which meets the requirements of subparagraph (C) of paragraph (1) at a fixed conversion ratio which takes account of all stock dividends and stock splits with respect to the stock into which

such convertible stock is convertible.

(4) For purposes of this subdivision, the term "stock" includes rights to acquire such stock.

(g) In cases to which Treasury Decision 6990 (promulgated January 10, 1969) would not have applied, in applying paragraphs (1) and (2) of subdivision (b), April 22, 1969, shall be substituted for January 10, 1969.

(h) Paragraph (4) of subdivision (b) of this section shall not apply to any distribution (or deemed distribution) with respect to preferred stock (including any increase in the conversion ratio of convertible stock) made before January 1, 1991, pursuant to the terms relating to the issuance of such stock which were in effect on January 10, 1969.

(i) With respect to distributions made or considered as made after January 10, 1969, in income years ending after such date, to the extent that the amendments made by this act do not apply by reason of paragraphs (2), (3) or (4) of subdivision (b) of this section, Section 24463 (as in effect before amendment of this section at the 1971 First Extraordinary Session of the Legislature) shall continue to apply.

SEC. 43. Section 24483.5 of the Revenue and Taxation Code is amended to read:

24483.5. (a) (1) If a corporation distributes property (other than an obligation of such corporation) to a shareholder in a redemption (to which Article 1 (commencing with Section 24451) applies) of part or all of his stock in such corporation, and

(2) The fair market value of such property exceeds its adjusted basis (in the hands of the distributing corporation), then a gain shall be recognized to the distributing corporation in an amount equal to such excess as if the property distributed had been sold at the time of the distribution. Sections 24482 and 24483 shall not apply to any distribution to which this section applies.

(b) Subdivision (a) shall not apply to—

(1) A distribution in complete redemption of all of the stock of a shareholder who, at all times within the 12-month period ending on the date of such distribution, owns at least 10 percent in value of the outstanding stock of the distributing corporation, but only if the redemption qualifies under paragraph (3) of subdivision (b) of Section 24455 (determined without the application of clause (ii) of subparagraph (A) of paragraph (2) of subdivision (c) of Section 24455);

(2) A distribution of stock or an obligation of a corporation—

(A) Which is engaged in at least one trade or business,

(B) Which has not received property constituting a

substantial part of its assets from the distributing corporation, in a transaction to which Section 24521 applied or as a contribution to capital, within the five-year period ending on the date of the distribution, and

(C) At least 50 percent in value of the outstanding stock of which is owned by the distributing corporation at any time within the nine-year period ending one year before the date of the distribution;

(3) A distribution before December 1, 1974, of stock of a corporation substantially all of the assets of which the distributing corporation (or a corporation which is a member of the same affiliated group (as defined in Section 23361) as the distributing corporation) held on November 30, 1969, if such assets constitute a trade or business which has been actively conducted throughout the one-year period ending on the date of the distribution;

(4) A distribution of stock or securities pursuant to the terms of a final judgment rendered by a court with respect to the distributing corporation in a court proceeding under the Sherman Act (26 Stat. 209; 15 U.S.C. 1–7) or the Clayton Act (38 Stat. 730; 15 U.S.C. 12–27), or both, to which the United States is a party, but only if the distribution of such stock or securities in redemption of the distributing corporation's stock is in furtherance of the purposes of the judgment;

(5) A distribution to the extent that Section 17329 of the Personal Income Tax Law (relating to distributions in redemption of stock to pay death taxes) applies to such distribution;

(6) A distribution by a corporation to which Section 23701m (relating to and including regulated investment companies) applies, if such distribution is in redemption of the stock upon the demand of the shareholder;

(7) A distribution by a corporation to which Section 18145 of the Personal Income Tax Law or Section 24999 (relating to bank holding companies) applies.

(c) (1) Except as to distributions described in paragraphs (2) and (3), this section and the amendments to paragraph (2) of subdivision (a) of Section 24452, subdivision (b) of Section 24454, and subdivision (c) of Section 24486 at the 1971 First Extraordinary Session of the Legislature shall apply with respect to distributions after December 31, 1970.

(2) A distribution by a corporation of property (held on December 1, 1969, by the distributing corporation or a corporation which was a wholly owned subsidiary of the distributing corporation on such date) in redemption of stock outstanding on November 30, 1969, which is redeemed and canceled before July 31, 1971, if—

(A) Such redemption is pursuant to a resolution adopted before November 1, 1969, by the board of directors

authorizing the redemption of a specific amount of stock constituting more than 10 percent of the outstanding stock of the corporation at the time of the adoption of such resolution; and

(B) More than 40 percent of the stock authorized to be redeemed pursuant to such resolution was redeemed before December 30, 1969, and more than one-half of the stock so redeemed was redeemed with property other than money.

(3) A distribution of stock by a corporation organized prior to December 1, 1969, for the principal purpose of providing an equity participation plan for employees of the corporation whose stock is being distributed (hereinafter referred to as the "employer corporation") if—

(A) The stock being distributed was owned by the distributing corporation on November 30, 1969.

(B) The stock being redeemed was acquired before January 1, 1973, pursuant to such equity participation plan by the shareholder presenting such stock for redemption (or by a predecessor of such shareholder),

(C) The employment of the shareholder presenting the stock for redemption (or the predecessor of such shareholder) by the employer corporation commenced before January 1, 1971,

(D) At least 90 percent in value of the assets of the distributing corporation on November 30, 1969, consisted of common stock of the employer corporation, and

(E) At least 50 percent of the outstanding voting stock of the employer corporation is owned by the distributing corporation at any time within the nine-year period ending one year before the date of such distribution.

SEC. 44. Section 24491.1 of the Revenue and Taxation Code is amended to read:

24491.1. (a) For purposes of computing the earnings and profits of a corporation for any income year beginning after June 30, 1972, the allowance for depreciation (and amortization, if any) shall be deemed to be the amount which would be allowable for such year if the straight line method of depreciation had been used for each income year beginning after June 30, 1972.

(b) If for any income year beginning after June 30, 1972, a method of depreciation was used by the taxpayer which the Franchise Tax Board has determined results in a reasonable allowance under subdivision (a) of Section 24349, and which is not—

(1) A declining balance method,

(2) The sum of the years-digits method, or

(3) Any other method allowable solely by reason of the application of paragraph (4) of subdivision (b) of Section 24349, or paragraph (3) of subdivision (a) of Section

24354.1,
then the adjustment to earnings and profits for depreciation for such year shall be determined under the method so used (in lieu of under the straight line method).

SEC. 45. Section 24562 of the Revenue and Taxation Code is amended to read:

24562. (a) For purposes of Chapters 8 (commencing with Section 24451) and 9 (commencing with Section 24501) and this chapter, the term "reorganization" means—

(1) A statutory merger or consolidation;

(2) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of stock of another corporation if, immediately after the acquisition, the acquiring corporation has control of such other corporation (whether or not such acquiring corporation had control immediately before the acquisition);

(3) The acquisition by one corporation, in exchange solely for all or a part of its voting stock (or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation), of substantially all of the properties of another corporation, but in determining whether the exchange is solely for stock the assumption by the acquiring corporation of a liability of the other, or the fact that property acquired is subject to a liability, shall be disregarded;

(4) A transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor, or one or more of its shareholders (including persons who were shareholders immediately before the transfer), or any combination thereof, is in control of the corporation to which the assets are transferred; but only if, in pursuance of the plan, stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under Section 24531, 24533, or 24535;

(5) A recapitalization; or

(6) A mere change in identity, form, or place of organization, however effected.

(b) (1) If a transaction is described in both paragraph (3) and paragraph (4) of subdivision (a), then, for purposes of this chapter, such transaction shall be treated as described only in paragraph (4) of subdivision (a).

(2) If—

(A) One corporation acquires substantially all of the properties of another corporation;

(B) The acquisition would qualify under paragraph (3) of subdivision (a) but for the fact that the acquiring corporation exchanges money or other property in addition

to voting stock; and

(C) The acquiring corporation acquires, solely for voting stock described in paragraph (3) of subdivision (a), property of the other corporation having a fair market value which is at least 80 percent of the fair market value of all of the property of the other corporation;

then such acquisition shall (subject to paragraph (1) of this subdivision) be treated as qualifying under paragraph (3) of subdivision (a). Solely for the purpose of determining whether subparagraph (C) of the preceding sentence applies, the amount of any liability assumed by the acquiring corporation, and the amount of any liability to which any property acquired by the acquiring corporation is subject, shall be treated as money paid for the property.

(3) A transaction otherwise qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) shall not be disqualified by reason of the fact that part or all of the assets or stock which were acquired in the transaction are transferred to a corporation controlled by the corporation acquiring such assets or stock.

(4) The acquisition by one corporation, in exchange for stock of a corporation (referred to in this paragraph as "controlling corporation") which is in control of the acquiring corporation, of substantially all of the properties of another corporation which in the transaction is merged into the acquiring corporation shall not disqualify a transaction under paragraph (1) of subdivision (a), if—

(A) Such transaction would have qualified under paragraph (1) of subdivision (a) if the merger had been into the controlling corporation, and

(B) No stock of the acquiring corporation is used in the transaction.

(5) A transaction otherwise qualifying under paragraph (1) of subdivision (a) shall not be disqualified by reason of the fact that stock of a corporation (referred to in this paragraph as the "controlling corporation") which before the merger was in control of the merged corporation is used in the transaction, if—

(A) After the transaction, the corporation surviving the merger holds substantially all of its properties and of the properties of the merged corporation (other than stock of the controlling corporation distributed in the transaction); and

(B) In the transaction, former shareholders of the surviving corporation exchanged, for an amount of voting stock of the controlling corporation, an amount of stock in the surviving corporation which constitutes control of such corporation.

(c) The amendments made to this section by the 1971 First Extraordinary Session of the Legislature shall apply to

statutory mergers occurring after December 31, 1970.

SEC. 46. Section 24563 of the Revenue and Taxation Code is amended to read:

24563. For purposes of this article, the term "a party to a reorganization" includes—

(a) A corporation resulting from a reorganization; and

(b) Both corporations, in the case of a reorganization resulting from the acquisition by one corporation of stock or properties of another.

In the case of a reorganization qualifying under paragraph (2) or paragraph (3) of subdivision (a) of Section 24562, if the stock exchanged for the stock or properties is stock of a corporation which is in control of the acquiring corporation, the term "a party to a reorganization" includes the corporation so controlling the acquiring corporation. In the case of a reorganization qualifying under paragraph (1), paragraph (2) or paragraph (3) of subdivision (a) of Section 24562 by by reason of paragraph (3) of subdivision (b) of Section 24562, the term "a party to a reorganization" includes the corporation controlling the corporation to which the acquired assets or stock are transferred.

In the case of a reorganization qualifying under paragraph (1) of subdivision (a) of Section 24562 by reason of paragraph (4) of subdivision (b) of Section 24562, the term "a party to a reorganization" includes the controlling corporation referred to in such paragraph (4) of subdivision (b) of Section 24562. In the case of a reorganization qualifying under paragraph (1) of subdivision (a) of Section 24562, by reason of paragraph (5) of subdivision (b) of Section 24562, the term "party to a reorganization" includes the controlling corporation referred to in paragraph (5) of subdivision (b) of Section 24562.

(c) The amendments made to this section by the 1971 First Extraordinary Session of the Legislature shall apply to statutory mergers occurring after December 31, 1970.

SEC. 47. Section 25958 of the Revenue and Taxation Code is amended to read:

25958. (a) Notwithstanding any section in this chapter to the contrary, in the case of any income year ending before enactment of the amendments at the 1971 First Extraordinary Session of the Legislature, no interest on any underpayment of tax to the extent such underpayment is attributable to the amendments made at the 1971 First Extraordinary Session of the Legislature, shall be assessed or collected.

(b) In the case of an income year beginning before enactment of the amendments at the 1971 First Extraordinary Session of the Legislature, if any taxpayer is required to pay an additional amount of estimated tax, by reason of the amendments made at the 1971 First Extraordinary Session of

the Legislature, such additional amount shall be paid at the due date for the return, as required by Section 25401, without penalty or interest.

SEC. 48. Section 1176 of the Unemployment Insurance Code is amended to read:

1176. (a) If, by reason of an employee receiving wages from more than one employer during any calendar year after December 31, 1971, the wages received by him during such year exceed the remuneration upon which contributions are payable under Section 985, and the sum of the amount of tax imposed by Section 984 plus the amount of contributions under Section 3260 deducted from such wages exceeds the amount required under this division, the employee is entitled to a refund or credit of the amount of the excess. No interest shall be allowed or paid with respect to such refund or credit.

(b) The director shall in accordance with Section 3266 recover from voluntary plans the aggregate amount of such refunds and credits made during any calendar year which is applicable to voluntary plans.

SEC. 49. Section 316 of Chapter 1 of the Statutes of the 1971 First Extraordinary Session is amended to read:

SEC. 316. Notwithstanding any other provision of law to the contrary, except for the special tax credit provided for in Section 17 of this act, the one-time nonrecurring revenue in the amount of one hundred fifty million dollars ($150,000,000) produced by the enactment of withholding and quarterly estimates of state personal income taxes shall be used for the following purposes and shall be allocated in the following manner:

(a) Eighty million dollars ($80,000,000) shall be allocated to the Capital Outlay Fund for Public Higher Education for the capital construction programs of the University of California, the California State Colleges, and the community colleges.

(b) Forty million dollars ($40,000,000) shall be allocated to the Bagley Conservation Fund, which is hereby created, for beach, park, and land acquisition programs, including wildlife areas, and coastline planning and development of recreational facilities which expenditures are of a one-time nonrecurring nature, including within this figure five million dollars ($5,000,000) for miscellaneous capital outlay construction.

(c) Thirty million dollars ($30,000,000) shall be allocated to the School Building Safety Fund, which is hereby created, for replacement and repair of local school district buildings for compliance with Field Act requirements.

It is the intent of the Legislature that the amounts specified in the above subdivisions shall be subject to continuous expenditure without regard to fiscal years on the basis of need when appropriated by the Legislature, but that no more than

33⅓ percent of the total amount of one hundred fifty million dollars ($150,000,000) be allocated in any one budget year.

The Department of Finance shall in the annual budget submitted to the Legislature recommend capital outlay program expenditures pursuant to the above subdivisions. Any funds appropriated by the Budget Act of 1971 contained in Chapter 266 of the Statutes of the 1971 Regular Session of the Legislature, such as Item 304.1, shall be allocated prior to the end of the 1971–1972 fiscal year.

SEC. 50. Section 320 of Chapter 1 of the Statutes of the 1971 First Extraordinary Session is amended to read:

SEC. 320. It is intended that the senior citizens assistance program shall provide not less than $56 million in state assistance in fiscal 1972–73. If the program provides less assistance than $56 million the Legislature shall increase the reimbursement schedule provided in Section 205 of this act for the following years.

SEC. 51. Any reference in the 1971 Budget Act referring to the adoption of withholding at the 1971 Regular Session of the Legislature shall be deemed to refer to the adoption of withholding at the 1971 First Extraordinary Session of the Legislature.

SEC. 52. It is the purpose of this act to facilitate the expeditious and smooth implementation of the provisions contained in Assembly Bill No. 1 of the 1971 First Extraordinary Session.

SEC. 53. The provisions of this act shall be operative as follows:

(a) Section 2 of this act shall be operative for all measures qualifying for the ballot after the effective date of this act.

(b) Sections 3 to 16, inclusive, and 50 to 52, inclusive, of this act shall be operative immediately.

(c) Sections 17 and 18 of this act shall be operative on July 1, 1972.

(d) Sections 19 and 20 of this act shall be operative only if A.B. 1763 and S.B. 389 of the 1971 Regular Session of the Legislature are enacted, in which event, Sections 19 and 20 of this act shall become operative at the same time as Section 1 of A.B. 1763 becomes operative. It is the intent of the Legislature in enacting Sections 19 and 20 of this act that the provisions of A.B. 1763 and S.B. 389 of the 1971 Regular Session both be given effect as they amended Section 6006 of the Revenue and Taxation Code.

(e) Sections 21 and 22 of this act shall be operative only if A.B. 1764 and A.B. 2109 of the 1971 Regular Session of the Legislature are enacted, in which event, Sections 21 and 22 of this act shall become operative on January 1, 1972. It is the intent of the Legislature in enacting Sections 21 and 22 of this act that the provisions of A.B. 1764 and A.B. 2109 of the 1971

Regular Session both be given effect as they amended Section 6363.6 of the Revenue and Taxation Code.

(f) Sections 33 to 35, inclusive, and 48 and 49 of this act shall be operative on January 1, 1972.

(g) All other sections of this act affecting changes in the Personal Income Tax Law, unless otherwise specified in such sections or in this section, shall be applied in the computation of taxes for taxable years beginning after December 31, 1970.

(h) All sections of this act affecting changes in the Bank and Corporation Tax Law, unless otherwise specified in such sections, shall be applied as provided in subdivision (g) of Section 317 of Chapter 1 of the Statutes of the 1971 First Extraordinary Session.

SEC. 54. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that Assembly Bill No. 1 of the 1971 Extraordinary Session be implemented at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 3

An act to amend Section 8823 of the Elections Code, relating to reapportionment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor December 30, 1971 Filed with Secretary of State December 30, 1971]

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

SECTION 1. Because of the shifts in population shown in the 1970 federal census and the need to reapportion Assembly district lines to reflect such shifts in population, the Legislature finds that it is necessary to increase the membership of a Democratic county central committee elected by Assembly districts in a city and county from six members to eight in order to insure adequate representation of the people.

SEC. 2. Section 8823 of the Elections Code is amended to read:

8823. In each city and county a county central committee shall be elected by Assembly districts and shall consist of eight members elected from each Assembly district, or portion thereof, in the city and county.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

It is necessary for this act to take effect immediately in order to apply to the 1972 direct primary election.

CONCURRENT RESOLUTIONS

FIRST EXTRAORDINARY SESSION
1971

CONCURRENT RESOLUTIONS

Adopted at the First Extraordinary Session of the Legislature

RESOLUTION CHAPTER 1

Assembly Concurrent Resolution No. 1—Relative to reapportionment.

[Filed with Secretary of State December 22, 1971]

WHEREAS, It is essential that Assembly districts be reapportioned to meet the one man one vote principle; now, therefore, be it

Resolved by the Assembly of the State of California, the Senate thereof concurring, That Assembly districts be reapportioned as follows:

CHAPTER 3. ASSEMBLY DISTRICTS

30200. The following rules and definitions shall govern the construction of this chapter except where stated expressly to the contrary:

(1) Reference to a street, road, avenue, highway, freeway, canyon, creek, stream, river, channel, inlet, bay, or other natural or manmade boundary means the center line thereof.

(2) Reference to a railroad or powerline means the center line of the right-of-way thereof.

(3) Reference to the Pacific Ocean means the mean waterline thereof, and includes all inlets and bays and all islands within the adjacent coastal waters.

(4) Reference to a ridgeline means a line connecting the highest natural projections of a hill or mountain following the points from which the surface descends in elevation on both sides.

(5) Reference to an unnamed boundary means the first such boundary encountered.

(6) Reference to city limits means as it existed on April 1, 1970 unless otherwise specified at the point of reference.

30201. The 1st Assembly District shall include all of Del Norte, Siskiyou, Trinity, Shasta, Tehama, Modoc, Lassen, Plumas, and Sierra Counties and those portions of Humboldt and Yuba Counties bounded and described as follows:

That portion of Humboldt County beginning at the intersection of the Pacific Ocean and the Arcata River; southeast on the Arcata River to the Mad River; meandering southeast on the Mad River to the P.G. & E. electric transmission line; southeast on the P.G. & E. electric transmission line to the Trinity-Humboldt county line; meandering north on the Trinity-Humboldt county line to the Siskiyou-Humboldt county line; north and west on the

Siskiyou-Humboldt county line to the Del Norte-Humboldt county line; west, north and west on the Del Norte-Humboldt county line to the Pacific Ocean; south on the Pacific Ocean to the point of beginning.

That portion of Yuba County beginning at the intersection of the Yuba-Butte county line and New York Flat Road; south and southeast on New York Flat Road to Porte Road; southwest on Porte Road to Willow Glen Road; south on Willow Glen Road to Frenchtown Road; south on Frenchtown Road to Marysville Road; west and southwest on Marysville Road to Dolan Harding Road; meandering southeast and southwest on Dolan Harding Road to Township Road; south and southwest on Township Road to Peoria Road; south on Peoria Road to Scott Forbes Road; south on Scott Forbes Road to Sicard Flat Road; southeast and southwest on Sicard Flat Road to Browns Valley Road (State Highway 20); meandering southeast on Browns Valley Road to the Yuba River; meandering southwest on the Yuba River to the Yuba-Sutter county line; south and northeast on the Yuba-Sutter county line to the Placer-Yuba county line; northeast and southeast on the Placer-Yuba county line to the Yuba-Nevada county line; northeast on the Yuba-Nevada county line to the Yuba-Sierra county line; north on the Yuba-Sierra county line to the Plumas-Yuba county line; southwest on the Plumas-Yuba county line to the Butte-Yuba county line; southwest on the Butte-Yuba county line to the point of beginning.

30202. The 2nd Assembly District shall include all of Mendocino County and those portions of Humboldt and Sonoma Counties bounded and described as follows:

That portion of Humboldt County not included in the 1st Assembly District as bounded and described in Section 30201.

That portion of Sonoma County not included in the 4th or 7th Assembly Districts as bounded and described in Sections 30204 and 30207.

30203. The 3rd Assembly District shall include that portion of Sacramento County bounded and described as follows:

Beginning at the intersection of the Sacramento-San Joaquin county line and State Highway 99; northwest on State Highway 99 to Grant Line Road; northeast on Grant Line Road to Waterman Road; north on Waterman Road to Bond Road; west on Bond Road to Stockton Boulevard (U.S. Highway 99 and 50); northwest on Stockton Boulevard to Mack Road; west on Mack Road to State Highway 99; northwest on State Highway 99 to 47th Avenue; east on 47th Avenue to Stockton Boulevard (U.S. Highway 50 and 99); northwest on Stockton Boulevard to Fruitridge Road; west on Fruitridge Road to Sacramento Boulevard; north on

Sacramento Boulevard to 14th Avenue; east on 14th Avenue to Stockton Boulevard (U.S. Highway 99 and 50); northwest on Stockton Boulevard to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the Southern Pacific Railroad (near Redding Avenue); northwest on the Southern Pacific Railroad to "H" Street; east on "H" Street to the American River; south and east on the American River to the southern extension of Estates Drive; northwest on the southern extension of Estates Drive and Estates Drive to Elderberry Lane; northeast on Elderberry Lane to Estates Drive; northwest on Estates Drive to Fair Oaks Boulevard; southwest on Fair Oaks Boulevard to Watt Avenue; north on Watt Avenue to Arden Way; east on Arden Way to Eastern Avenue; north on Eastern Avenue to El Camino Avenue; east on El Camino Avenue to Walnut Avenue; south on Walnut Avenue to Arden Way; east on Arden Way to Carmelo Drive; north on Carmelo Drive to Shelfield Drive; east and north on Shelfield Drive to Fair Oaks Boulevard; east and north on Fair Oaks Boulevard to Manzanita Avenue; north on Manzanita Avenue to Madison Avenue; west on Madison Avenue to Spruce Avenue; north on Spruce Avenue to the Southern Pacific Railroad; northeast on the Southern Pacific Railroad to the Placer-Sacramento county line; east on the Placer-Sacramento county line to the El Dorado-Sacramento county line; east and south on the El Dorado-Sacramento county line to the Amador-Sacramento county line; south on the Amador-Sacramento county line to the San Joaquin-Sacramento county line; west on the San Joaquin-Sacramento county line to the point of beginning.

30204. The 4th Assembly District shall include all of Glenn, Butte and Colusa Counties, and that portion of Sutter County not included in the 6th Assembly District as bounded and described in Section 30206, and that portion of Yolo County not included in the 9th Assembly District as bounded and described in Section 30209, and that portion of Lake County not included in the 5th Assembly District as bounded and described in Section 30205, and those portions of Sonoma and Yuba Counties bounded and described as follows:

Beginning at the intersection of the Napa-Sonoma county line and the southeast extension of Lovall Valley Road; west, generally southwest and west on the northeast extension of Lovall Valley Road and Lovall Valley Road to Old Winery Road; south on Old Winery Road to Napa Street; west on Napa Street to First Street East; south on First Street East to Patten Street; west on Patten Street to Broadway; north on Broadway to McDonell Boulevard; west on McDonell Boulevard to 1st Street West; south on 1st Street West to MacArthur Street; west on MacArthur Street to 5th Street West; south on 5th Street West to Smith Street; west on Smith

Street to Hooker Creek; south on Hooker Creek to Watmaugh Road; southwest on Watmaugh Road to Rodgers Creek; west on Rodgers Creek to the east boundary of Petaluma Rancho; northwest on the boundary of Petaluma Rancho to the east boundary of Section 25 of T. 6 N., R. 7 W.; north on the east boundary of Sections 25 and 24 of T. 6 N., R. 7 W. to the north boundary of Section 24 of T. 6 N., R. 7 W.; west on the north boundary of Sections 24 and 23 of T. 6 N., R. 7 W. to the South Fork of Matanzas Creek; northwest on the South Fork of Matanzas Creek to Sonoma Mountain Road (in Section 10 of T. 6 N., R. 7 W.); north on Sonoma Mountain Road to Bennett Valley Road; east and southeast on Bennett Valley Road to the east boundary of Section 2 of T. 6 N., R. 7 W.; north on the east boundary of Section 2 of T. 6 N., R. 7 W. to the southwest boundary of Rancho Los Guilicos; northwest on the southwest boundary of Rancho Los Guilicos to the south Santa Rosa city limits; north, east and north on the Santa Rosa city limits to the Diversion Channel; east on the Diversion Channel to Santa Rosa Creek; northwest on the Santa Rosa Creek to the east Santa Rosa city limits; north on the Santa Rosa city limits and its north extension to Sonoma Highway (State Highway 12); west on Sonoma Highway to Calistoga Road; north on Calistoga Road to Rincon Avenue; west on Rincon Avenue to Baird Road; south on Baird Road to Badger Road; west on Badger Road to Brush Creek Road; south on Brush Creek Road to Brush Creek; south on Brush Creek to Bridgewood Drive; south on Bridgewood Drive to Montecito Boulevard; west on Montecito Boulevard to Brush Creek Road; south on Brush Creek Road to Sonoma Highway (State Highway 12); northeast on Sonoma Highway to Reservoir Drive; southeast on Reservoir Drive to Montgomery Drive; southwest on Montgomery Drive to Summerfield Road; southeast on Summerfield Road to Oregon Drive; southwest on Oregon Drive to Carley Road; southwest, northeast and southeast on Carley Road to Spring Creek Drive; southwest on Spring Creek Drive to Idaho Drive; northwest and southwest on Idaho Drive to Colorado Boulevard; northwest on Colorado Boulevard to Sonoma Avenue; southwest on Sonoma Avenue to Farmers Lane; south on Farmers Lane to Spring Creek; west on Spring Creek to the southeast extension of Doctors Park Drive; northwest on the southeast extension of Doctors Park Drive and Doctors Park Drive to Sonoma Avenue; southwest on Sonoma Avenue to Alderbrook Drive; northwest on Alderbrook Drive to Montgomery Drive; southwest on Montgomery Drive to Macklyn Avenue; southeast on Macklyn Avenue to Sonoma Avenue; southwest on Sonoma Avenue to Doyle Park Drive; northwest on Doyle Park Drive to Montgomery Drive; west on Montgomery Drive to Santa Rosa Creek; northeast on Santa Rosa Creek to

the southeast extension of Leland Street; northwest on the southeast extension of Leland Street and Leland Street to Fair Oaks Avenue; northeast on Fair Oaks Avenue to Junior Street; northwest on Junior Street to 4th Street; northeast on 4th Street to 13th Street; west on 13th Street to North Street; north on North Street to the west extension of 15th Street; east on the west extension of 15th Street and 15th Street to Stewart Street; north on Stewart Street to Spenser Avenue; northeast and east on Spenser Avenue to McDonald Avenue; south on McDonald Avenue to 16th Street; east on 16th Street to Spring Street; north on Spring Street to Pacific Avenue; west on Pacific Avenue to McDonald Avenue; north on McDonald Avenue to Franklin Avenue; northwest on Franklin Avenue to Poppy Drive; northeast and northwest on Poppy Drive and its northwest extension to Hexem Avenue; northeast on Hexem Avenue to Cummings Drive; northwest on Cummings Drive and its northwest extension to Chanate Road; west and southwest on Chanate Road to Strawberry Drive; northwest on Strawberry Drive and its northwest extension to the north Santa Rosa city limits; northwest on the Santa Rosa city limits to Old Redwood Highway; northwest on Old Redwood Highway to Mark West Springs Road; northeast on Mark West Springs Road to Franz Valley Road; northwest and northeast on Franz Valley Road to Franz Creek; west on Franz Creek to Chalk Hill Road; south on Chalk Hill Road to the south boundary of Section 5 of T. 8 N., R. 8 W.; west on the south boundary of Sections 5 and 6 of T. 8 N., R. 8 W. to the south boundary of Section 1 of T. 8 N., R. 9 W.; west on the south boundary of Section 1 of T. 8 N., R. 9 W. to Arata Lane; west on Arata Lane to Old Redwood Highway; northwest on Old Redwood Highway to U.S. Highway 101; northwest on U.S. Highway 101 to Lytton Springs Road; west and southwest on Lytton Springs Road to Dry Creek Road; northwest on Dry Creek Road to Dutcher Creek Road; northwest on Dutcher Creek Road to U.S. Highway 101; southeast on U.S. Highway 101 to the west extension of River Road; east and northwest on the west extension of River Road and River Road to Big Sulphur Creek; southwest on Big Sulphur Creek to the Russian River; northwest on the Russian River to U.S. Highway 101; northwest and north on U.S. Highway 101 to the Mendocino-Sonoma county line; east on the Mendocino-Sonoma county line to the Lake-Sonoma county line; southeast on the Lake-Sonoma county line to the Napa-Sonoma county line; southeast on the Napa-Sonoma county line to the point of beginning.

Beginning at the intersection of the Yuba-Butte county line and New York Flat Road; south and southeast on New York Flat Road to Porte Road; southwest on Porte Road to Willow Glen Road; south on Willow Glen Road to Frenchtown Road;

south on Frenchtown Road to Marysville Road; west and southwest on Marysville Road to Dolan Harding Road; southeast and southwest on Dolan Harding Road to Township Road; south and southwest on Township Road to Peoria Road; south on Peoria Road to Scott Forbes Road; south on Scott Forbes Road to Sicard Flat Road; southeast and southwest on Sicard Flat Road to Browns Valley Road (State Highway 20); meandering southeast on Browns Valley Road to the Yuba River; meandering southwest on the Yuba River to the Yuba-Sutter county line; north on the Yuba-Sutter county line to the Butte-Yuba county line; northeast on the Butte-Yuba county line to the point of beginning.

30205. The 5th Assembly District shall include all of Solano and Napa Counties and that portion of Lake County bounded and described as follows:

Beginning at the intersection of the Napa-Lake county line and Oat Hill Road, northwest on Oat Hill Road to Butts Canyon Road; north, west, and southeast on Butts Canyon Road to the Napa-Lake county line; west on the Napa-Lake county line to the point of beginning.

30206. The 6th Assembly District shall include all of Alpine, Amador, Calaveras, El Dorado, Inyo, Mariposa, Nevada, Mono and Tuolumne Counties, that portion of Placer County not included in the Eighth Assembly District as bounded and described in Section 30208, and those portions of Sutter and San Bernardino Counties bounded and described as follows:

Beginning at the intersection of the Sutter-Sacramento county line and the Feather River; meandering north on the Feather River to the Sutter By-pass; northeast on the Sutter By-pass to the west extension of Obanion Road; east on the west extension of Obanion Road and Obanion Road to State Highway 99; north on State Highway 99 to Bogue Road; west on Bogue Road to George Washington Boulevard; north on George Washington Boulevard to Lincoln Road; west on Lincoln Road to Clements Road; north on Clements Road to Franklin Road; west on Franklin Road to the Wadsworth Canal; northeast on the Wadsworth Canal to Butte House Road; east on Butte House Road to East Butte Road; north on East Butte Road to Nuestro Road; east on Nuestro Road to Tierra Buena Road; north on Tierra Buena Road to Eager Road; east on Eager Road and its east extension to the Southern Pacific Railroad; southeast and east on the Southern Pacific Railroad to the Sutter-Yuba county line; south on the Sutter-Yuba county line to the north Yuba City city limits; west, south and east on the Yuba City city limits to the Sutter-Yuba county line; south, north and east on the Sutter-Yuba county line to the Sutter-Placer county line; south, west, south, west and south on the Sutter-Placer county

line to the Sutter-Sacramento county line; west on the Sutter-Sacramento county line to the point of beginning.

That portion of San Bernardino County which lies east of the line beginning at the intersection of the San Bernardino-Inyo county line and State Highway 127; south on State Highway 127 to the Los Angeles Bureau of Power & Light Transmission Line; southwest on the Los Angeles Bureau of Power & Light Transmission Line and its southwest extension to Mineola Road; south on Mineola Road to the Mojave River; southwest on the Mojave River to the Union Pacific Railroad; southwest on the Union Pacific Railroad to the Atchison, Topeka and Santa Fe Railroad; southwest and west on the Atchison, Topeka and Santa Fe Railroad to Daggett Yermo Road; south on Daggett Yermo Road to National Trails Highway; east on National Trails Highway to Camp Rock Road; south and southeast on Camp Rock Road to the Los Angeles Bureau of Power & Light Transmission Line; southwest on the Los Angeles Bureau of Power & Light Transmission Line to Standard Wells Road; southwest and south on Standard Wells Road to State Highway 18; east on State Highway 18 to the southwest extension of Corwin Road; northeast on the southwest extension of Corwin Road and Corwin Road to Waalew Road; east on Waalew Road to Joshua Road; south on Joshua Road to State Highway 18; southeast, east and southeast on State Highway 18 to High Road; south on High Road and its south extension to the north boundary of the San Bernardino National Forest; generally east and south on the boundary of the San Bernardino National Forest to the Riverside-San Bernardino county line.

30207. The Seventh Assembly District shall include all of Marin County and that portion of Sonoma County bounded and described as follows:

Beginning at the intersection of the Marin-Sonoma county line and Franklin School Road; northeast on Franklin School Road to Valley Ford Road; north on Valley Ford Road to Bodega Highway; northeast on Bodega Highway to Atascadero Creek; northwest on Atascadero Creek to Occidental Road; east on Occidental Road to Laguna De Santa Rosa Creek; southeast on Laguna De Santa Rosa Creek to Stoney Point Road; south on Stoney Point Road to Gravenstein Highway; east on Gravenstein Highway to Stoney Point Road; south and southeast on Stoney Point Road to Bailey Avenue; southwest on Bailey Avenue to Fair Avenue; southeast on Fair Avenue to Skillman Lane; northeast on Skillman Lane to Marshall Avenue; south on Marshall Avenue to Magnolia Avenue; east on Magnolia Avenue to Aloma Court; south on Aloma Court to Magnolia Avenue; east on Magnolia Avenue to Elm Drive; south on Elm Drive to Cherry Street; east on Cherry Street to Laurel Street;

southwest on Laurel Street to West Street; northeast on West Street to Howard Street; southeast on Howard Street to Washington Street; northeast on Washington Street to the Petaluma River; southeast on the Petaluma River to the west extension of 2nd Street; east on the west extension of 2nd Street and 2nd Street to "B" Street; southwest on "B" Street to 6th Street; southeast on 6th Street to "D" Street; northeast on "D" Street to 5th Street; southeast on 5th Street to "I" Street; northeast on "I" Street to Petaluma Boulevard; southeast on Petaluma Boulevard to Mountain View Avenue; north on Mountain View Avenue and its north extension to the Petaluma River; east on the Petaluma River to the Northwestern Pacific Railroad; north on the Northwestern Pacific Railroad to U.S. Highway 101; north on U.S. Highway 101 to Caulfield Lane; northeast on Caulfield Lane to South McDowell Boulevard; northwest on South McDowell Boulevard to McGregor Avenue; southwest on McGregor Avenue to Coronado Drive; northwest on Coronado Drive to McNeil Avenue; northeast on McNeil Avenue to McDowell Boulevard; northwest on McDowell Boulevard to East Washington Street; northeast on East Washington Street to Maria Drive; northwest on Maria Drive and its northwest extension to Lynch Creek; southwest on Lynch Creek to U.S. Highway 101; northwest on U.S. Highway 101 to Old Redwood Highway North; north on Old Redwood Highway North to Adobe Road; east and southeast on Adobe Road to Davis Lane; northeast on Davis Lane to East Railroad Avenue; west on East Railroad Avenue to Lichau Creek; meandering northeast on Lichau Creek to the north boundary of Petaluma Rancho; southeast on the north boundary of Petaluma Rancho to Rodgers Creek; southeast on Rodgers Creek to Watmaugh Road; northeast on Watmaugh Road to Hooker Creek; northwest on Hooker Creek to Smith Street; east on Smith Street to 5th Street West; north on 5th Street West to MacArthur Street; east on MacArthur Street to 1st Street West; north on 1st Street West to McDonell Street; east on McDonell Street to Broadway; south on Broadway to Patten Street; east on Patten Street to 1st Street East; north on 1st Street East to Napa Street; east on Napa Street to Old Winery Road; north on Old Winery Road to Lovall Valley Road; east and northeast on Lovall Valley Road and its northeast extension to the Napa-Sonoma county line; south on the Napa-Sonoma county line to the Solano-Sonoma county line; southeast on the Solano-Sonoma county line to the Marin-Sonoma county line; northwest on the Marin-Sonoma county line to the point of beginning.

30208. The 8th Assembly District shall include those portions of Sacramento and Placer Counties bounded and described as follows:

Beginning at the intersection of the Sacramento-Yolo county line and "I" Street; southeast on "I" Street to 6th Street; northeast on 6th Street to "H" Street; southeast on "H" Street to 28th Street; southwest on 28th Street to Capitol Avenue (State Highway 16); southeast on Capitol Avenue to Interstate 80; southwest on Interstate 80 to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the Southern Pacific Railroad (near Redding Avenue); northwest on the Southern Pacific Railroad to "H" Street; east on "H" Street to the American River; south and east on the American River to the southeast extension of Estates Drive; northwest on the southeast extension of Estates Drive and Estates Drive to Elderberry Lane; northeast on Elderberry Lane to Estates Drive; northwest on Estates Drive to Fair Oaks Boulevard; southwest on Fair Oaks Boulevard to Watt Avenue; north on Watt Avenue to Arden Way; east on Arden Way to Eastern Avenue; north on Eastern Avenue to El Camino Avenue; east on El Camino Avenue to Walnut Avenue; south on Walnut Avenue to Arden Way; east on Arden Way to Carmelo Drive; north on Carmelo Drive to Shelfield Drive; east and north on Shelfield Drive to Fair Oaks Boulevard; east and north on Fair Oaks Boulevard to Manzanita Avenue; north on Manzanita Avenue to Madison Avenue; west on Madison Avenue to Spruce Avenue; north on Spruce Avenue to the Southern Pacific Railroad; northeast on the Southern Pacific Railroad to the Placer-Sacramento county line; west on the Placer-Sacramento county line to the Sutter-Sacramento county line; west on the Sutter-Sacramento county line to the Yolo-Sacramento county line; south and southwest on the Yolo-Sacramento county line to the point of beginning.

Beginning at the intersection of the Placer-Sacramento county line and Sierra College Boulevard; north and northeast on Sierra College Boulevard to the east extension of the south Rocklin city limits; west on the east extension of the Rocklin city limits and the Rocklin city limits to the north Roseville city limits; generally west, north, and west on the Roseville city limits to State Highway 65; north on State Highway 65 to Placer Boulevard; east and southeast on Placer Boulevard to Pleasant Grove Creek; meandering northeast on Pleasant Grove Creek to Clover Valley Creek; north on Clover Valley Creek to Sierra College Boulevard; northwest and north on Sierra College Boulevard to State Highway 193; east on State Highway 193 to Gold Hill Road; northwest on Gold Hill Road to Fruitvale Road; west on Fruitvale Road to Garden Bar Road; north on Garden Bar Road to Wise Road; west on Wise Road to Brewer Road; north on Brewer Road to the Placer-Sutter county line; south on the Placer-Sutter county line to the Placer-Sacramento county line; east on the

Placer-Sacramento county line to the point of beginning.

30209. The 9th Assembly District shall include those portions of San Joaquin, Yolo and Sacramento Counties bounded and described as follows:

Beginning at the intersection of the Sacramento-San Joaquin county line and the Mokelumne River; meandering southeast on the Mokelumne River to the north extension of Ray Road; south on the north extension of Ray Road and Ray Road to Acampo Road; west on Acampo Road to Thornton Road; south and southeast on Thornton Road to Eight Mile Road; east on Eight Mile Road to West Lane; south on West Lane to Hammer Lane; east on Hammer Lane to State Highway 99; south and southeast on State Highway 99 to the Stockton Diverting Canal; southeast on the Stockton Diverting Canal to the Southern Pacific Railroad; southwest on the Southern Pacific Railroad to the north extension of Sinclair Avenue; south on the north extension of Sinclair Avenue and Sinclair Avenue to Horner Avenue; southwest on Horner Avenue to State Highway 99; northwest on State Highway 99 to the northeast extension of Marsh Street; southwest on the northeast extension of Marsh Street and Marsh Street to Filbert Street; northwest on Filbert Street to the Southern Pacific Railroad; southwest on the Southern Pacific Railroad to "D" Street; northwest on "D" Street to Flora Street; west on Flora Street to "D" Street; northwest on "D" Street to Cherokee Road; northeast on Cherokee Road to Sanguinetti Lane; northwest on Sanguinetti Lane to the Stockton Diverting Channel; northwest on the Stockton Diverting Channel to the Calaveras River; west on the Calaveras River to the Western Pacific Railroad (near Alvarado Avenue); northwest on the Western Pacific Railroad to Bear Creek; meandering west on Bear Creek to Disappointment Slough; meandering west on Disappointment Slough to the Stockton Deep Water Channel; meandering northwest on the Stockton Deep Water Channel to the Contra Costa-San Joaquin county line; north on the Contra Costa San Joaquin county line to the Sacramento-San Joaquin county line; northeast and east on the Sacramento-San Joaquin county line to the point of beginning.

That portion of Yolo County which lies south of the line beginning at the Sutter-Yolo county line and the north extension of Road 107; south on the north extension of Road 107 and Road 107 to Road 16; meandering west on Road 16 to Road 102; south on Road 102 to Cache Creek; meandering west on Cache Creek to State Highway 113; south on State Highway 113 to Kentucky Avenue; west on Kentucky Avenue to the north extension of Cottonwood Street; south on the north extension of Cottonwood Street to West Woodland

Avenue; east on West Woodland Avenue to Mariposa Street; south on Mariposa Street to West Beamer Street; east on West Beamer Street to California Street; south on California Street to Buckeye Street; east on Buckeye Street to West Street; south on West Street to Elliot Street; east on Elliot Street to Walnut Street; south on Walnut Street to Main Street; west on Main Street to Cleveland Street; south on Cleveland Street to Oak Avenue; east on Oak Avenue to College Street; north on College Street to Oak Avenue; east on Oak Avenue to 5th Street; south on 5th Street to Cross Street; west on Cross Street to Fourth Street; south on 4th Street to Pendegast Street; west on Pendegast Street to College Street; south on College Street to Bartlett Avenue; east on Bartlett Avenue to 1st Street; south on 1st Street to Marshall Avenue; east on Marshall Avenue to 4th Street; south on 4th Street to Homewood Drive; west on Homewood Drive to 3rd Street; southeast on 3rd Street to Gibson Road; east on Gibson Road to State Highway 113; south on State Highway 113 to Road 25A; west on Road 25A to Road 98; north on Road 98 to Road 24; west on Road 24 to Road 93; south on Road 93 to Road 27; west on Road 27 to Road 88; north on Road 88 to Road 26; west on Road 26 to Road 87; north on Road 87 to Road 25; west on Road 25 to Cottonwood Slough; meandering west on Cottonwood Slough and its continuance as Cottonwood Canyon and its west extension to the Napa-Yolo county line.

That portion of Sacramento County not included in the 3rd or 8th Assembly Districts as bounded and described in Sections 30203 and 30208.

30210. The 10th Assembly District shall include those portions of Santa Clara, Contra Costa, Alameda and San Joaquin Counties bounded and described as follows:

Beginning at the intersection of the Santa Cruz-Santa Clara county line and the west boundary of Section 2 of T. 10 S., R. 1 E.; north on the west boundary of Section 2 of T. 10 S., R. 1 E. and Sections 35 and 26 of T. 9 S., R. 1 E. to the south boundary of Section 23 of T. 9 S., R. 1 E.; east on the south boundary of Section 23 of T. 9 S., R. 1 E. to the east boundary of Section 23 of T. 9 S., R. 1 E.; north on the east boundaries of Sections 23 and 14 of T. 9 S., R. 1 E. to the southwest boundary of Rancho San Jose; northwest on the boundary of Rancho San Jose to Herbert Creek; northeast on Herbert Creek to Almaden Reservoir; northeast on Almaden Reservoir to the southeast extension of Hicks Road; northwest on the southeast extension of Hicks Road and Hicks Road to the south extension of Harwood Road; north on the south extension of Harwood Road and Harwood Road to Belridge Drive; west on Belridge Drive to Bacigalupi Drive; northwest on Bacigalupi Drive to Westhill Drive; northwest and north on Westhill Drive to Blossom Hill Road; east on Blossom Hill

Road to Leigh Avenue; north on Leigh Avenue to Los Gatos Almaden Road; east on Los Gatos Almaden Road to Harwood Road; north on Harwood Road to Branham Lane; east on Branham Lane to Camden Avenue; northwest, west and northwest on Camden Avenue to the Nimitz Freeway (State Highway 17); meandering northeast on the Nimitz Freeway to the Southern Pacific Railroad; northeast on the Southern Pacific Railroad to Hamilton Avenue; east on Hamilton Avenue to Bascom Avenue; north on Bascom Avenue to the Southern Pacific Railroad; northeast on the Southern Pacific Railroad to Meridian Avenue; southeast on Meridian Avenue to Fruitdale Avenue; east on Fruitdale Avenue and its east extension to Los Gatos Creek; northeast on Los Gatos Creek to Lincoln Avenue; southeast on Lincoln Avenue to Willow Street; southwest on Willow Street to Meridian Avenue; south on Meridian Avenue to the south San Jose city limits; meandering east, south, west, south and east on the San Jose city limits to Dry Creek (near Willowbrae Avenue); south on Dry Creek to Hamilton Avenue; east on Hamilton Avenue to Hicks Avenue; south on Hicks Avenue to Pine Avenue; northeast on Pine Avenue to Lincoln Avenue; southeast on Lincoln Avenue to Curtner Avenue; northeast on Curtner Avenue to the Guadalupe Creek; south on the Guadalupe Creek to Branham Lane; southwest on Branham Lane to the northwest extension of Joseph Lane; southeast on the northwest extension of Joseph Lane and Joseph Lane to Kooser Road; southwest on Kooser Road to Camden Avenue; south on Camden Avenue to Guadalupe Creek; southwest and south on Guadalupe Creek to Coleman Road; northeast and east on Coleman Road and its east extension to Alamitos Creek; south and southeast on Alamitos Creek to Arroyo Calero; southeast on Arroyo Calero to McKean Road; east and southeast on McKean Road to Uvas Road; southeast on Uvas Road to Watsonville Road; southeast and south on Watsonville Road to Burchell Road; meandering southeast on Burchell Road to State Highway 152; west on State Highway 152 to Uvas Creek; southeast on Uvas Creek to Santa Teresa Boulevard (proposed); meandering southeast on Santa Teresa Boulevard (proposed) to State Highway 25; east on State Highway 25 to Bloomfield Avenue; northeast on Bloomfield Avenue to State Highway 152; northwest on State Highway 152 to Jones Creek; meandering northeast and east on Jones Creek to the east boundary of Section 1 of T. 11 S., R. 4 E.; north on the east boundary of Section 1 of T. 11 S., R. 4 E. and Sections 36, 25 and 24 of T. 10 S., R. 4 E. to the north boundary of Section 24 of T. 10 S., R. 4 E.; west on the north boundary of Sections 24 and 23 of T. 10 S., R. 4 E. to the east boundary of Rancho La Polka; northwest and west on the east boundary of Rancho La Polka to the west boundary of Section 4 of T. 10

S., R. 4 E.; north on the west boundary of Section 4 of T. 10 S., R. 4 E. in a direct line to the Alameda-Santa Clara county line; east on the Alameda-Santa Clara county line to the Stanislaus-Santa Clara county line; meandering south and southeast on the Stanislaus-Santa Clara county line to the Merced-Santa Clara county line; meandering south on the Merced-Santa Clara county line to the San Benito-Santa Clara county line; west on the San Benito-Santa Clara county line to the Santa Cruz-Santa Clara county line; northwest on the Santa Cruz-Santa Clara county line to the point of beginning.

Beginning at the intersection of State Highway 24 and the Contra Costa-Alameda county line; northeast on State Highway 24 to Reliez Creek; north and northwest on Reliez Creek to Pleasant Hill Road; north and northeast on Pleasant Hill Road to Geary Road; east on Geary Road to the south Pleasant Hill city limits; east, north and east on the Pleasant Hill city limits to Interstate 680; south on Interstate 680 to Treat Boulevard; east on Treat Boulevard to the Southern Pacific Railroad; north on the Southern Pacific Railroad to Monument Boulevard; northeast on Monument Boulevard to Oakgrove Road; southeast on Oakgrove Road to Treat Boulevard; northeast on Treat Boulevard to the Contra Costa Canal; northwest on the Contra Costa Canal to Cowell Road; northwest on Cowell Road to Galindo Street; northwest on Galindo Street to Park Street; northeast on Park Street to Clayton Road; southeast on Clayton Road to Treat Boulevard; southwest on Treat Boulevard to Shakespeare Drive; northwest and southwest on Shakespeare Drive to Cowell Road; southeast, northeast and southeast on Cowell Road to Ygnacio Valley Road; southwest on Ygnacio Valley Road to La Casa Via; southeast on La Casa Via and its southeast extension to Shell Ridge; southeast on Shell Ridge to the P. G. & E. powerline; northeast on the P. G. & E. powerline to Mt. Diablo Boulevard; generally southeast on Mt. Diablo Boulevard to Mt. Diablo Scenic Boulevard; south on Mt. Diablo Scenic Boulevard to Curry Canyon Truck Trail; east and northeast on Curry Canyon Truck Trail to Morgan Territory Road; north on Morgan Territory Road to Marsh Creek Road; northwest on Marsh Creek Road to its intersection with the southwest extension of Goethels Canyon; due north on a direct line to Irish Canyon; northwest on Irish Canyon to Black Diamond Way; northeast on Black Diamond Way to Nortonville Road; northwest on Nortonville Road to Kirker Pass Road; northeast on Kirker Pass Road to the P. G. & E. powerline; east on the P. G. & E. powerline to the east Antioch city limits; southwest on the Antioch city limits to Paso Corto Road; generally east on Paso Corto Road to the Contra Costa Canal; generally east on the Contra Costa Canal to Hillcrest Road; south on Hillcrest Road to Lone Tree

Way; northwest on Lone Tree Way to Deer Valley Road; south on Deer Valley Road to Balfour Road; east on Balfour Road to Concord Road; south and southeast on Concord Road to Orchard Lane; south on Orchard Lane to Marsh Creek Road; east on Marsh Creek Road to Byron Highway; north on Byron Highway to Delta Road; east on Delta Road to the southern extension of Sand Mound Slough; due north on the southern extension of Sand Mound Slough to Rock Slough; generally east on Rock Slough and its eastern extension to the Contra Costa-San Joaquin county line; south on the Contra Costa-San Joaquin county line to the Contra Costa-Alameda county line; west and north on the Contra Costa-Alameda county line to the point of beginning.

That portion of Alameda County which lies east of the line beginning at the intersection of the San Joaquin-Alameda county line and the west boundary of Section 4 of T. 5 S., R. 4 E.; south on the west boundary of Sections 4, 9, 16 and 21 of T. 5 S., 4 E. to the Santa Clara-Alameda county line.

Beginning at the intersection of the Contra Costa-San Joaquin county line and the Stockton Deep Water Channel; meandering southeast on the Stockton Deep Water Channel to Disappointment Slough; northeast, southeast and east on Disappointment Slough to Bear Creek; meandering southeast and east on Bear Creek to Lower Sacramento Road; south on Lower Sacramento Road to Pacific Avenue; southeast on Pacific Avenue to the Calaveras River; southwest on the Calaveras River to the San Joaquin River; northwest on the San Joaquin River and its continuance as the Stockton Deep Water Channel to the Turner Cut Channel; southwest and south on the Turner Cut Channel to Whiskey Slough; southeast on Whiskey Slough and its southeast extension to the Atchison, Topeka and Santa Fe Railroad; west on the Atchison, Topeka and Santa Fe Railroad to Cook Road; meandering south on Cook Road to State Highway 4; southwest on State Highway 4 to the Middle River; southeast on the Middle River to Tracy Boulevard; south on Tracy Boulevard to the Old River; west and southwest on the Old River to the north extension of San Jose Road; south on the north extension of San Jose Road and San Jose Road to Byron Road; southeast on Byron Road to Lammers Road; south on Lammers Road and its south extension in a direct line to the Alameda-San Joaquin county line; northwest on the Alameda-San Joaquin county line to the Contra Costa-San Joaquin county line; meandering north on the Contra Costa-San Joaquin county line to the point of beginning.

30211. The 11th Assembly District shall include that portion of Contra Costa County not included in the 10th, 16th or 17th Assembly Districts as bounded and described in Sections 30210, 30216 and 30217.

30212. The 12th Assembly District shall include those portions of San Joaquin and Stanislaus Counties bounded and described as follows:

Beginning at the intersection of the Alameda-San Joaquin county line and the south extension of Lammers Road; north on the south extension of Lammers Road and Lammers Road to Byron Road; northwest on Byron Road to San Jose Road; north on San Jose Road and its north extension to the Old River; northeast and east on the Old River to Tracy Boulevard; north on Tracy Boulevard to the Middle River; northwest on the Middle River to State Highway 4; northeast on State Highway 4 to Cook Road; meandering north on Cook Road to the Atchison, Topeka and Santa Fe Railroad; east on the Atchison, Topeka and Santa Fe Railroad to the southeast extension of Whiskey Slough; northwest on the southeast extension of Whiskey Slough and Whiskey Slough to Turner Cut; north and northeast on Turner Cut to the Stockton Deep Water Channel; southwest on the Stockton Deep Water Channel and its continuance as the San Joaquin River to the Calaveras River; northeast on the Calaveras River to Pacific Avenue; northwest on Pacific Avenue to Lower Sacramento Road; north on Lower Sacramento Road to Bear Creek; east on Bear Creek to the Western Pacific Railroad; southeast on the Western Pacific Railroad to the Calaveras River; east on the Calaveras River to the Stockton Diverting Channel; southeast on the Stockton Diverting Channel to Sanguinetti Lane; southeast on Sanguinetti Lane to Cherokee Road; southwest on Cherokee Road to "D" Street; southeast on "D" Street to Flora Street; east on Flora Street to "D"; south on "D" Street to Main Street; east on Main Street to Marsh Street; northeast on Marsh Street and its northeast extension to State Highway 99; southeast on State Highway 99 to Horner Avenue; northeast on Horner Avenue to Sinclair Avenue; northwest on Sinclair Avenue and its northwest extension to the Southern Pacific Railroad; northeast on the Southern Pacific Railroad to the Stockton Diverting Channel; northwest on the Stockton Diverting Channel to State Highway 99; north on State Highway 99 to Hammer Lane; west on Hammer Lane to West Lane; north on West Lane to Eight Mile Road; west on Eight Mile Road to Thornton Road; north, northwest and north on Thornton Road to Acampo Road; east on Acampo Road to Ray Road; north on Ray Road and its north extension to the Mokelumne River; meandering northwest on the Mokelumne River to the Sacramento-San Joaquin county line; meandering east on the Sacramento-San Joaquin county line to the Amador-San Joaquin county line; southeast on the Amador-San Joaquin county line to the Calaveras-San Joaquin county line; southeast on the Calaveras-San Joaquin county line to the Stanislaus-San

Joaquin county line; south and southwest on the Stanislaus-San Joaquin county line to the south extension of Austin Road; north on the south extension of Austin Road and Austin Road to Moffat Boulevard; northwest on Moffat Boulevard to Yosemite Avenue (State Highway 120); west on Yosemite Avenue to Airport Way; north on Airport Way to French Camp Road; southeast on French Camp Road to State Highway 99; north on State Highway 99 to the Atchison, Topeka and Santa Fe Railroad; northwest on the Atchison, Topeka and Santa Fe Railroad to Charter Way; southwest on Charter Way to the Western Pacific Railroad; northwest on the Western Pacific Railroad to Market Street; southwest on Market Street to Sutter Street; northwest on Sutter Street to Miner Avenue; southwest on Miner Avenue to Center Street; southeast on Center Street to Mormon Slough; meandering northwest on Mormon Slough to the Crosstown Freeway; west on the Crosstown Freeway to the northwest extension of Pershing Avenue; southeast on the northwest extension of Pershing Avenue, Pershing Avenue and its extensions to Marengo Road; southwest on Marengo Road to the San Joaquin River; meandering south on the San Joaquin River to the Stanislaus-San Joaquin county line; southwest on the Stanislaus-San Joaquin county line to the Alameda-San Joaquin county line; northwest on the Alameda-San Joaquin county line to the point of beginning.

That portion of Stanislaus County not included in the 30th Assembly District as bounded and described in Section 30230.

30213. The 13th Assembly District shall include that portion of Alameda County bounded and described as follows:

Beginning at the intersection of Hesperian Boulevard and the north Hayward city limits; east, northwest, northeast, southeast and east on the Hayward city limits to Meekland Avenue; northwest on Meekland Avenue to Laurel Avenue; east on Laurel Avenue to Princeton Street; north on Princeton Street to Sunset Boulevard; east on Sunset Boulevard to the Western Pacific Railroad; southeast on the Western Pacific Railroad to West Jackson Street; northeast on West Jackson Street to "E" Street; northeast on "E" Street to 2nd Street; northwest on 2nd Street to "D" Street; east on "D" Street to 4th Street; northwest on 4th Street and its northwest extension to San Lorenzo Creek; meandering east on San Lorenzo Creek to the P. G. & E. powerline; south and southwest on the P. G. & E. powerline to Fairview Boulevard; southeast, east, south and southeast on Fairview Boulevard to Hayward Boulevard; west on Hayward Boulevard to Civic Avenue; south on Civic Avenue to the southeast extension of the south branch of Ward Creek (at New Dobbel Avenue); northwest on the southeast extension of the south branch of Ward Creek and the south branch of Ward Creek to the P. G.

& E. powerline; southwest on the P. G. & E. powerline to Hillary Street (County Road 770); east on Hillary Street to the north boundary of California State College at Hayward; west and southeast on the boundary of California State College at Hayward to the south Hayward city limits; southwest and southeast on the Hayward city limits to the northeast extension of Valle Vista Avenue; southwest on the northeast extension of Valle Vista Avenue and Valle Vista Avenue to Dixon Street; southeast on Dixon Street to Industrial Parkway; northeast on Industrial Parkway to Mission Boulevard; southeast on Mission Boulevard to the north Fremont city limits; northeast and southeast on the Fremont city limits to Niles Canyon Road; meandering northeast, east, southeast, northeast and southeast on Niles Canyon Road to Paloma Road; southeast on Paloma Road to Interstate 680; north on Interstate 680 to Sunol Boulevard; northeast and north on Sunol Boulevard to Main Street; northeast on Main Street to Santa Rita Road; northwest and northeast on Santa Rita Road to Tassajara Road; north on Tassajara Road to the Contra Costa-Alameda county line; northeast on the Contra Costa-Alameda county line to the San Joaquin-Alameda county line; south and southeast on the San Joaquin-Alameda county line to the west boundary of Section 4 of T. 5 S., R. 4 E.; south on the west boundary of Sections 4, 9, 16 and 21 of T. 5 S., R. 4 E. to the Santa Clara-Alameda county line; west on the Santa Clara-Alameda county line to the east Fremont city limits; northwest and west on the east Fremont city limits to Interstate 680; southwest on Interstate 680 to Palm Avenue; north on Palm Avenue to Olive Avenue; west on Olive Avenue to Washington Boulevard; west on Washington Boulevard to the Southern Pacific Railroad (near Harrison Street); southeast on the Southern Pacific Railroad to the north boundary of Rancho Del Aqua Caliente; southwest on the boundary of Rancho Del Aqua Caliente to Fremont Boulevard; northwest on Fremont Boulevard to Durham Road; southwest on Durham Road to Grimmer Boulevard; northwest on Grimmer Boulevard to Blacow Road; northwest on Blacow Road to Stevenson Boulevard; southwest on Stevenson Boulevard to the Nimitz Freeway (State Highway 17); northwest on the Nimitz Freeway to Mowry Avenue; northeast on Mowry Avenue to Argonaut Way; northwest on Argonaut Way to the Alameda Flood Control Line B; northeast on the Alameda Flood Control Line B to Fremont Boulevard; northwest on Fremont Boulevard to Central Avenue; southwest on Central Avenue to the south Newark city limits; southwest, north and northeast on the Newark city limits and its northeast extension to the Nimitz Freeway (State Highway 17); northwest on the Nimitz Freeway to the south Union City city limits; southwest and north on the

Union City city limits to Hesperian Boulevard; northeast on Hesperian Boulevard to the point of beginning.

30214. The 14th Assembly District shall include that portion of Alameda County bounded and described as follows:

Beginning at the intersection of the San Francisco-Alameda county line and the north Alameda city limits; east on the Alameda city limits to the south extension of Merritt Channel; northeast on the south extension of Merritt Channel and Merritt Channel and its north extension to the south shoreline of Lake Merritt; northeast on the shoreline of Lake Merritt to the northwest extension of Brooklyn Avenue; southeast on the northwest extension of Brooklyn Avenue and Brooklyn Avenue to Wesley Avenue; southwest on Wesley Avenue to Newton Avenue; south on Newton Avenue to Park Boulevard; west on Park Boulevard to 4th Avenue; southwest on 4th Avenue to East 19th Street; southeast on East 19th Street to 5th Avenue; southwest on 5th Avenue to East 14th Street; southeast on East 14th Street to Fruitvale Avenue; south on Fruitvale Avenue to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the southwest extension of 54th Avenue; northeast on the southwest extension of 54th Avenue and 54th Avenue to San Leandro Street; southeast on San Leandro Street to Seminary Avenue; northeast on Seminary Avenue to Eastlawn Street; southeast on Eastlawn Street to 63rd Avenue; northeast on 63rd Avenue to East 14th Street; southeast on East 14th Street to 100th Avenue; northeast on 100th Avenue to Bancroft Avenue; southeast on Bancroft Avenue to Dutton Avenue; east on Dutton Avenue to Chetland Road; south on Chetland Road to San Leandro Creek; meandering northeast, southeast, south and southeast on San Leandro Creek to the northeast San Leandro city limits; south on the San Leandro city limits to San Lorenzo Creek; meandering east on San Lorenzo Creek to Mission Boulevard; southeast on Mission Boulevard to Medford Avenue; southwest on Medford Avenue to Montgomery Street; southeast on Montgomery Street to Grove Way; southwest on Grove Way to the Western Pacific Railroad; southeast on the Western Pacific Railroad to Sunset Boulevard; southwest on Sunset Boulevard to Princeton Street; southeast on Princeton Street to Laurel Avenue; southwest on Laurel Avenue to Meekland Avenue; southeast on Meekland Avenue to the north Hayward city limits; generally west on the Hayward city limits to Hesperian Boulevard; southeast on Hesperian Boulevard to the north Union City city limits; meandering south and northeast on the north Union City city limits to the Nimitz Freeway (State Highway 17); south on the Nimitz Freeway to the northeast extension of the northwest Newark city limits; southwest, south and east on the northeast extension of the northwest

Newark city limits and the Newark city limits to Central Avenue; northeast on Central Avenue to Fremont Boulevard; southeast on Fremont Boulevard to the Alameda Flood Control Line B; southwest on the Alameda Flood Control Line B to Argonaut Way; southeast on Argonaut Way to Mowry Avenue; southwest on Mowry Avenue to the Nimitz Freeway (State Highway 17); southeast on the Nimitz Freeway to Stevenson Boulevard; northeast on Stevenson Boulevard to Blacow Road; southeast and east on Blacow Road to Grimmer Boulevard; southeast on Grimmer Boulevard to Durham Road; northeast on Durham Road to Fremont Boulevard; southeast on Fremont Boulevard to the north boundary of Rancho Del Aqua Caliente; northeast on the boundary of Rancho Del Aqua Caliente to the Southern Pacific Railroad; northwest on the Southern Pacific Railroad to Washington Boulevard; east on Washington Boulevard to Olive Avenue; east on Olive Avenue to Palm Avenue; south on Palm Avenue to Interstate 680; northeast on Interstate 680 to the north Fremont city limits; meandering east and south on the Fremont city limits to the Santa Clara-Alameda county line; southwest and west on the Santa Clara-Alameda county line to the San Mateo-Alameda county line; northwest on the San Mateo-Alameda county line to the San Francisco-Alameda county line; northwest on the San Francisco-Alameda county line to the point of beginning.

30215. The 15th Assembly District shall include that portion of Alameda County bounded and described as follows:

Beginning at the intersection of San Lorenzo Creek and Mission Boulevard; southeast on Mission Boulevard to Medford Avenue; southwest on Medford Avenue to Montgomery Street; southeast on Montgomery Street to Grove Way; southwest on Grove Way to the Western Pacific Railroad; southeast on the Western Pacific Railroad to West Jackson Street; northeast on West Jackson Street to "E" Street; east on "E" Street to 2nd Street; northwest on 2nd Street to "D" Street; east on "D" Street to 4th Street; northwest on 4th Street and its northwest extension to San Lorenzo Creek; meandering east on San Lorenzo Creek to the P. G. & E. powerline; southwest on the P. G. & E. powerline to Fairview Boulevard; southeast, south and southeast on Fairview Boulevard to Hayward Boulevard; west on Hayward Boulevard to Civic Avenue; south on Civic Avenue to the southeast extension of the south branch of Ward Creek (at New Dobbel Avenue); northwest on the southeast extension of the south branch of Ward Creek and the south branch of Ward Creek to the P. G. & E. powerline; southwest on the P. G. & E. powerline to Hillary Street (County Road 770); east on Hillary Street to the west boundary of California State College at Hayward; west and

southeast on the boundary of California State College at Hayward to the south Hayward city limits; southwest and southeast on the Hayward city limits to the northeast extension of Valle Vista Avenue; southwest on the northeast extension of Valle Vista Avenue and Valle Vista Avenue to Dixon Street; southeast on Dixon Street to Industrial Parkway; northeast on Industrial Parkway to Mission Boulevard; southeast on Mission Boulevard to the north Fremont city limits; northeast and southeast on the Fremont city limits to Niles Canyon Road; meandering east on Niles Canyon Road to Paloma Road; southeast on Paloma Road to Interstate 680; north on Interstate 680 to Sunol Boulevard; northeast and north on Sunol Boulevard to Main Street; northeast on Main Street to Santa Rita Road; northwest and northeast on Santa Rita Road to Tassajara Road; north on Tassajara Road to the Contra Costa-Alameda county line; southwest, northwest and west on the Contra Costa-Alameda county line to Park Boulevard; meandering southwest on Park Boulevard to Shepherd Canyon Road; meandering southwest and northwest on Shepherd Canyon Road to Snake Road; southwest on Snake Road to Mountain Boulevard; northwest on Mountain Boulevard to La Salle Avenue; southwest on La Salle Avenue to Indian Road; southwest on Indian Road to the south Piedmont city limits; southeast on the Piedmont city limits to Park Boulevard; northeast on Park Boulevard to Leimert Boulevard; southeast on Leimert Boulevard to Leimert Place; southeast on Leimert Place to Clemens Road; southeast on Clemens Road to Waterhouse Road; southwest on Waterhouse Road to Tiffin Road; southeast on Tiffin Road to Fruitvale Avenue; southwest on Fruitvale Avenue to East 27th Street; northwest on East 27th Street to 26th Avenue; southwest on 26th Avenue to East 24th Street; northwest on East 24th Street to 24th Avenue; southwest on 24th Avenue to East 22nd Street; northwest on East 22nd Street to 23rd Avenue; southwest on 23rd Avenue to East 14th Street; southeast on East 14th Street to Fruitvale Avenue; south on Fruitvale Avenue to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the southwest extension of 54th Avenue; northeast on the southwest extension of 54th Avenue and 54th Avenue to San Leandro Street; southeast on San Leandro Street to Seminary Avenue; northeast on Seminary Avenue to Eastlawn Street; southeast on Eastlawn Street to 63rd Avenue; northeast on 63rd Avenue to East 14th Street; southeast on East 14th Street to 100th Avenue; northeast on 100th Avenue to Bancroft Avenue; southeast on Bancroft Avenue to Dutton Avenue; east on Dutton Avenue to Chetland Road; south on Chetland Road to San Leandro Creek; meandering northeast and southeast on San Leandro Creek to the northeast San Leandro

city limits; south on the San Leandro city limits to San Lorenzo Creek; meandering east on San Lorenzo Creek to the point of beginning.

30216. The 16th Assembly District shall include those portions of Alameda and Contra Costa Counties bounded and described as follows:

Beginning at the intersection of 23rd Avenue and East 14th Street; northwest on East 14th Street to 5th Avenue; northeast on 5th Avenue to East 19th Street; northwest on East 19th Street to 4th Avenue; northeast on 4th Avenue to Park Boulevard; northeast on Park Boulevard to Newton Avenue; north on Newton Avenue to Wesley Avenue; northeast on Wesley Avenue to Brooklyn Avenue; northwest on Brooklyn Avenue and its northwest extension to the east shoreline of Lake Merritt; meandering southwest on the shoreline of Lake Merritt to the point of intersection with the north extension of Merritt Channel; south and southwest on the north extension of Merritt Channel, Merritt Channel and its south extension to the north Alameda city limits; meandering west on the Alameda city limits to the southwest extension of Grove Street; northeast on the southwest extension of Grove Street and Grove Street to 20th Street; southeast on 20th Street to San Pablo Avenue; northwest on San Pablo Avenue to Grove Street; northeast on Grove Street to the Grove Shafter Freeway (State Highway 24); north on the Grove Shafter Freeway to 52nd Street; west on 52nd Street to Dover Street; north on Dover Street to Aileen Street; east on Aileen Street to Shattuck Avenue; north on Shattuck Avenue to 59th Street; west on 59th Street to Dover Street; north on Dover Street to 62nd Street; west on 62nd Street to Grove Street; north on Grove Street to Adeline Street; northeast on Adeline Street to Grove Street; north on Grove Street to Dwight Way; west on Dwight Way to California Street; north on California Street to University Avenue; west on University Avenue to Sacramento Street; north on Sacramento Street to Hopkins Street; northeast on Hopkins Street to The Alameda; south on The Alameda to Yolo Avenue; northeast on Yolo Avenue to Milvia Street; southeast on Milvia Street to Eunice Street; east on Eunice Street to Henry Street; south on Henry Street to Rose Street; east on Rose Street to Walnut Street; north on Walnut Street to Eunice Street; east on Eunice Street to Spruce Street; north on Spruce Street to Wildcat Canyon Road; north on Wildcat Canyon Road to the Contra Costa-Alameda county line; meandering southeast on the Contra Costa-Alameda county line to Park Boulevard; meandering southwest on Park Boulevard to Shepherd Canyon Road; south and northwest on Shepherd Canyon Road to Snake Road; west on Snake Road to Mountain Boulevard; northwest on Mountain Boulevard to La Salle

Avenue; southwest on La Salle Avenue to Indian Road; southwest on Indian Road to the south Piedmont city limits; southeast on the Piedmont city limits to Park Boulevard; northeast on Park Boulevard to Leimert Boulevard; southeast on Leimert Boulevard to Leimert Place; southeast on Leimert Place to Clemens Road; southeast on Clemens Road to Waterhouse Road; southwest on Waterhouse Road to Tiffin Road; southeast on Tiffin Road to Fruitvale Avenue; southwest on Fruitvale Avenue to East 27th Street; northwest on East 27th Street to 23th Avenue; southwest on 26th Avenue to East 24th Street; northeast on East 24th Street to 24th Avenue; southwest on 24th Avenue to East 22nd Street; northwest on East 22nd Street to 23rd Avenue; southwest on 23rd Avenue to the point of beginning.

Beginning at the intersection of State Highway 24 and the Alameda-Contra Costa county line; northwest and west on the Alameda-Contra Costa county line to the west El Cerrito city limits; north on the El Cerrito city limits to San Pablo Avenue; northwest on San Pablo Avenue to Alameda Avenue; west on Alameda Avenue to the west El Cerrito city limits; northwest on the El Cerrito city limits to San Pablo Avenue; northwest on San Pablo Avenue to MacDonald Avenue; west on MacDonald Avenue to the Eastshore Freeway (Interstate 80); northwest and northeast on the Eastshore Freeway to the southwest extension of Sierra Avenue; northeast on the southwest extension of Sierra Avenue and Sierra Avenue to Tulare Avenue; northeast on Tulare Avenue to Arlington Boulevard; southeast on Arlington Boulevard to Olive Avenue; northeast on Olive Avenue to Kensington Avenue; southeast on Kensington Avenue to Laurel Avenue; northeast on Laurel Avenue and its northeast extension to the west Richmond city limits; southeast and east on the Richmond city limits to Wildcat Canyon Road; southeast on Wildcat Canyon Road to Wildcat Creek Road; southeast and northeast on Wildcat Creek Road to Bear Creek Road; north and east on Bear Creek Road to Happy Valley Road; south on Happy Valley Road to Upper Happy Valley Road; south on Upper Happy Valley Road to Canyon Road; west on Canyon Road to Estates Drive; south on Estates Drive to Los Arabis Drive; east on Los Arabis Drive to Upper Happy Valley Road; south on Upper Happy Valley Road and its south extension to State Highway 24; southwest on State Highway 24 to the point of beginning.

30217. The 17th Assembly District shall include those portions of Alameda and Contra Costa Counties bounded and described as follows:

All that portion of Alameda County not included in the 10th, 13th, 14th, 15th or 16th Assembly Districts as bounded and described in Sections 30210, 30213, 30214, 30215 and 30216.

Beginning at the intersection of the Alameda-Contra Costa county line and the west El Cerrito city limits; north on the El Cerrito city limits to San Pablo Avenue; northwest on San Pablo Avenue to Alameda Avenue; west on Alameda Avenue to the west El Cerrito city limits; northwest on the El Cerrito city limits to San Pablo Avenue; northwest on San Pablo Avenue to MacDonald Avenue; west on MacDonald Avenue to the Eastshore Freeway (Interstate 80); northwest and northeast on the Eastshore Freeway to the southwest extension of Sierra Avenue; northeast on the southwest extension of Sierra Avenue and Sierra Avenue to Tulare Avenue; northeast on Tulare Avenue to Arlington Boulevard; southeast on Arlington Boulevard to Olive Avenue; northeast on Olive Avenue to Kensington Avenue; southeast on Kensington Avenue to Laurel Avenue; northeast on Laurel Avenue and its northeast extension to the west Richmond city limits; southeast and east on the Richmond city limits to Wildcat Canyon Road; southeast on Wildcat Canyon Road to Wildcat Creek Road; southeast and northeast on Wildcat Creek Road to Bear Creek Road; north and east on Bear Creek Road to Happy Valley Road; south on Happy Valley Road to Upper Happy Valley Road; south on Upper Happy Valley Road to Canyon Road; west on Canyon Road to Estates Drive; south on Estates Drive to Los Arabis Drive; east on Los Arabis Drive to Upper Happy Valley Road; south on Upper Happy Valley Road and its south extension to State Highway 24; east on State Highway 24 to Reliez Creek; north and northwest on Reliez Creek to Pleasant Hill Road; north and northeast on Pleasant Hill Road to Geary Road; east on Geary Road to the south Pleasant Hill city limits; east and north and east on the Pleasant Hill city limits to Interstate 680; south on Interstate 680 to Treat Boulevard; east on Treat Boulevard to the Southern Pacific Railroad; north on the Southern Pacific Railroad to Monument Boulevard; northeast on Monument Boulevard to Oakgrove Road; southeast on Oakgrove Road to Treat Boulevard; northeast on Treat Boulevard to the Contra Costa Canal; northwest on the Contra Costa Canal to Cowell Road; northwest on Cowell Road to Galindo Street; northwest on Galindo Street to Park Street; northeast on Park Street to Clayton Road; southeast on Clayton Road to the Sacramento Northern Railroad; north on the Sacramento Northern Railroad to Willow Pass Road; northeast on Willow Pass Road to the west boundary of the Naval Weapons Station Concord; north on the boundary of the Naval Weapons Station Concord to Holbrook Drive; northwest on Holbrook Drive to Esperanza Drive; northeast on Esperanza Drive to Huron Drive; northwest on Huron Drive to Benton Street; northeast on Benton Street to East Olivera Road; northwest on East Olivera Road to the Port Chicago Highway; northeast on the

Port Chicago Highway to John Muir Parkway; West on the John Muir Parkway to Alhambra Way; South on Alhambra Way to Pleasant Hill Road; southeast on Pleasant Hill Road to Alhambra Avenue; West on Alhambra Avenue to Alhambra Valley Road; south and west on Alhambra Valley Road to Castro Ranch Road; southwest on Castro Ranch Road to San Pablo Dam Road; northwest and west on San Pablo Dam Road to the west Richmond city limits (near Carfield Avenue); south on the Richmond city limits to the northwest extension of Ralston Avenue; southeast on the northwest extension of Ralston Avenue and Ralston Avenue to east Richmond city limits; south on the Richmond city limits to the South San Pablo city limits; west, south and west on the San Pablo city limits to San Pablo Avenue; southeast on San Pablo Avenue to Garvin Avenue; west on Garvin Avenue to 38th Street; south on 38th Street to Roosevelt Avenue; east on Roosevelt Avenue to 39th Street; south on 39th Street to MacDonald Avenue; west on MacDonald Avenue to the northeast extension of Broadway; southwest on the northeast extension of Broadway and Broadway to the Southern Pacific Railroad (near Espee Avenue); northwest on the Southern Pacific Railroad to the Atchison Topeka and Santa Fe Railroad; northeast on the Atchison Topeka and Santa Fe Railroad to the west San Pablo city limits; north on the San Pablo city limits to Road 20; west on Road 20 to Parr Boulevard; west on Parr Boulevard to Garden Tract Road; south on Garden Tract Road to the east Richmond city limits; south on the Richmond city limits to Wildcat Creek; west, south and west on Wildcat Creek to the San Pablo Canal; south on the San Pablo Canal and its south extension in a direct line to its intersection with to the Southern Pacific Railroad; east and northeast on the Southern Pacific Railroad to the west extension of Pennsylvania Avenue; east on the west extension of Pennsylvania Avenue to Garrard Boulevard; southwest on Garrard Boulevard to Nevin Avenue; east on Nevin Avenue to 1st Street; south on 1st Street to the Atchison Topeka and Santa Fe Railroad (near West Ohio Avenue); west and southeast on the west extension of the Atchison Topeka and Santa Fe Railroad and the Atchison Topeka and Santa Fe Railroad to South 8th Street; south on South 8th Street to the Spur Line; south on the Spur Line to the Alameda-Contra Costa county line; northwest on the Alameda-Contra Costa County line to the point of beginning.

30218. The 18th Assembly District shall include that portion of San Francisco County bounded and described as follows:

Beginning at the intersection of Lyon Street and Lombard Street; east on Lombard Street to Laguna Street; south on Laguna Street to Broadway; east on Broadway to

Leavenworth Street; south on Leavenworth Street to Market Street; southwest on Market Street to 10th Street; southeast on 10th Street to Harrison Street; southwest and south on Harrison Street to 19th Street; west on 19th Street to Dolores Street; south on Dolores Street to 20th Street; west on 20th Street to Castro Street; south on Castro Street to 22nd Street; west on 22nd Street to Diamond Street; south on Diamond Street to 24th Street; west on 24th Street to Douglass Street; south on Douglass Street to 28th Street; east on 28th Street to Diamond Street; south on Diamond Street to Diamond Heights Boulevard; southwest on Diamond Heights Boulevard to Diamond Street; southeast, northeast, southeast and south on Diamond Street to San Jose Avenue; southwest on San Jose Avenue to Interstate 280; southwest and west on Interstate 280 to Alemany Boulevard; northwest on Alemany Boulevard to Brotherhood Way; northwesterly on Brotherhood Way to the south extension of 19th Avenue; north and northwest on the south extension of 19th Avenue and 19th Avenue to Beverly Street; north on Beverly Street to Holloway Avenue; east on Holloway Avenue to Ashton Avenue; north on Ashton Avenue to Holloway Avenue; east on Holloway Avenue to Granada Avenue; north on Granada Avenue to Ocean Avenue; southeast on Ocean Avenue to Phelan Avenue; north on Phelan Avenue to Judson Avenue; east on Judson Avenue to the east boundary of the City College of San Francisco as existing in 1971; south on said boundary to Havelock Street; east on Havelock Street to Circular Avenue; northeast on Circular Avenue to Baden Street; north on Baden Street to Mangels Avenue; east on Mangels Avenue to Burnside Avenue; northeast on Burnside Avenue to Bosworth Street; meandering northwest on Bosworth Street and its continuance as O'Shaughnessy Boulevard to Portola Drive; northeast on Portola Drive to Twin Peaks Boulevard; northeast, southeast, northwest, southwest and meandering north on Twin Peaks Boulevard to Palo Alto Avenue; west and northwest on Palo Alto Avenue to Clarendon Avenue; northeast on Clarendon Avenue to Johnstone Drive; northwest on Johnstone Drive to Medical Center Way; meandering northwest on Medical Center Way to the east extension of Kirkham Street; west on the east extension of Kirkham Street and Kirkham Street to Ninth Avenue; north on Ninth Avenue and its north extension to Fulton Street; west on Fulton Street to 18th Avenue; north on 18th Avenue to Balboa Street; west on Balboa Street to 20th Avenue; north on 20th Avenue to Geary Boulevard; east on Geary Boulevard to Park Presidio Drive (State Highway 1); north on Park Presidio Drive to California Street; west on California Street to the east boundary of Lincoln Park; north on said east boundary of Lincoln Park to the San Francisco

shoreline; east, northeast, southeast and east on said San Francisco shoreline to the north extension of Lyon Street; south on the north extension of Lyon Street and Lyon Street to the point of beginning.

30219. The 19th Assembly District shall include those portions of San Francisco and San Mateo Counties bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the east boundary of Lincoln Park; south on the boundary of Lincoln Park to California Street; east on California Street to Park Presidio Drive (State Highway 1); south on Park Presidio Drive to Geary Boulevard; west on Geary Boulevard to 20th Avenue; south on 20th Avenue to Balboa Street; east on Balboa Street to 18th Avenue; south on 18th Avenue to Fulton Street; east on Fulton Street to 9th Avenue; south on a southerly extension of 9th Avenue and 9th Avenue to Kirkham Street; east on Kirkham Street and its east extension to Medical Center Way; meandering southeast on Medical Center Way to Johnstone Drive; east and southeast on Johnstone Drive to Clarendon Avenue; southwest on Clarendon Avenue to Palo Alto Avenue; southeast and east on Palo Alto Avenue to Twin Peaks Boulevard; meandering south, northeast, southeast, northwest and southwest on Twin Peaks Boulevard to Portola Drive; southwest on Portola Drive to O'Shaughnessy Boulevard; meandering southeast on O'Shaughnessy Boulevard and its continuance as Bosworth Street to Burnside Avenue; southwest on Burnside Avenue to Mangels Avenue; west on Mangels Avenue to Baden Street; south on Baden Street to Circular Avenue; southwest on Circular Avenue to Havelock Street; west on Havelock Street to the easterly boundary of the City College of San Francisco as existing in 1971; north on the easterly boundary of the City College of San Francisco as existing in 1971 to Judson Avenue; west on Judson Avenue to Phelan Avenue; south on Phelan Avenue to Ocean Avenue; northwest on Ocean Avenue to Granada Avenue; south on Granada Avenue to Holloway Avenue; west on Holloway Avenue to Ashton Avenue; south on Ashton Avenue to Holloway Avenue; west on Holloway Avenue to Beverly Street; south on Beverly Street to 19th Avenue; southeast and south on 19th Avenue and its south extension to Brotherhood Way; east and southeast on Brotherhood Way to Alemany Boulevard; southeast on Alemany Boulevard to Interstate 280; east and northeast on Interstate 280 to San Jose Avenue; northeast on San Jose Avenue to Diamond Street; north, northwest, southwest and northwest on Diamond Street to Diamond Heights Boulevard; northeast on Diamond Heights Boulevard to Diamond Street; north on Diamond Street to 28th Street; west on 28th Street to Douglass Street; north on Douglass Street to

24th Street; east on 24th Street to Diamond Street; north on Diamond Street to 22nd Street; east on 22nd Street to Castro Street; north on Castro Street to 20th Street; east on 20th Street to Valencia Street; south on Valencia Street to Army Street; west on Army Street to San Jose Avenue; southwest on San Jose Avenue to Brook Street; east on Brook Street to Mission Street; northeast on Mission Street to Cortland Avenue; southeast on Cortland Avenue to Andover Street; south on Andover Street and its south extension to Interstate 280; west on Interstate 280 to Mission Street; southwest on Mission Street to the San Francisco-San Mateo county line; west on the San Francisco-San Mateo county line to the Pacific Ocean; north and east on the Pacific Ocean to the point of beginning.

Beginning at the intersection of the San Francisco-San Mateo county line and the Junipero Serra Freeway (Interstate 280); east on the San Francisco-San Mateo county line to the Alameda-San Mateo county line; south on the Alameda-San Mateo county line to the east extension of the north South San Francisco city limits; west on the east extension of the north South San Francisco city limits and the north South San Francisco city limits to the west Brisbane city limits; meandering north and northwest on the Brisbane city limits to the south Daly City city limits; meandering west on the southerly Daly City city limits to a northeast extension of Guadalupe Canyon Parkway (near Crocker Avenue); southwest on the northeast extension of Guadalupe Canyon Parkway and Guadalupe Canyon Parkway to the Daly City city limits (at Price Street); southeast on the Daly City city limits to the northeast extension of Hoffman Street; southwest on the northeast extension of Hoffman Street and Hoffman Street to Hillside Boulevard; southeast on Hillside Boulevard to the north Colma city limits; west, southeast and west along the north Colma city limits and its west extension to the Junipero Serra Freeway (Interstate 280); north on the Junipero Serra Freeway to San Pedro Avenue; northeast on San Pedro Avenue to Mission Street; north on Mission Street to Citrus Avenue; west on Citrus Avenue and its west extension to the Junipero Serra Freeway (Interstate 280); north and northeast on the Junipero Serra Freeway to the point of beginning.

30220. The 20th Assembly District shall include all of the islands of the City and County of San Francisco and that portion of San Francisco City and County bounded and described as follows:

Beginning at the intersection of Lombard Street and Lyon Street; north on Lyon Street and its north extension to the San Francisco-Marin county line; northeast and north on the San Francisco-Marin county line to the San Francisco-Contra

Costa county line; southeast on the San Francisco-Contra Costa county line to the San Francisco-Alameda county line; southeast on the San Francisco-Alameda county line to the San Francisco-San Mateo county line; west on the San Francisco-San Mateo county line to Mission Street; northeast on Mission Street to Interstate 280; east on Interstate 280 to the south extension of Andover Street; north on the south extension of Andover Street and Andover Street to Cortland Avenue; west and northwest on Cortland Avenue to Mission Street; southwest on Mission Street to Brook Street; west on Brook Street to San Jose Avenue; north on San Jose Avenue to Army Street; east on Army Street to Valencia Street; north on Valencia Street to 20th Street; west on 20th Street to Dolores Street; north on Dolores Street to 19th Street; east on 19th Street to Harrison Street; north and northeast on Harrison Street to 10th Street; northwest on 10th Street to Market Street; northeast on Market Street to Leavenworth Avenue; north on Leavenworth Avenue to Broadway; west on Broadway to Laguna Street; north on Laguna Street to Lombard Street; west on Lombard Street to the point of beginning.

30221. The 21st Assembly District shall include all of Kings County and that portion of Tulare County not included in the 33rd Assembly District as bounded and described in Section 30233.

30222. The 22nd Assembly District shall include that portion of Santa Clara County which lies southwest of the line described as follows:

Beginning at the intersection of the Santa Clara-San Mateo county line and Arastradero Road; meandering east on Arastradero Road to Page Mill Road; northeast on Page Mill Road to Arastradero Road; east on Arastradero Road to the Junipero Serra Freeway (Interstate 280); southeast on the Junipero Serra Freeway to Robleda Road; meandering northeast on Robleda Road to Fremont Road; northwest on Fremont Road to Edith Road; northeast on Edith Road to West Edith Avenue; east on West Edith Avenue to San Antonio Road; north on San Antonio Road to Almond Avenue; east on Almond Avenue to Sunkist Lane; north on Sunkist Lane and its north extension to the north Los Altos city limits; west and northeast on the Los Altos city limits to El Camino Real (State Highway 82); southeast on El Camino Real to the Stevens Freeway (State Highway 85); south on the Stevens Freeway to Stevens Creek (near Village Court); southeast on Stevens Creek to the west Sunnyvale city limits; northeast on the Sunnyvale city limits to El Camino Real (State Highway 82); southeast on El Camino Real to Saratoga-Sunnyvale Road; south on Saratoga-Sunnyvale Road to Fremont Avenue; east on Fremont Avenue to Wolfe Road; south on Wolfe Road to

Homestead Road; east on Homestead Road to the Lawrence Expressway; south on the Lawrence Expressway to Mitty Way; east on Mitty Way to Moorpark Avenue; east on Moorpark Avenue to Saratoga Avenue; southwest on Saratoga Avenue to Clarendon Drive; northwest on Clarendon Drive to Burkette Drive; southwest on Burkette Drive to Englewood Drive; southwest and west on Englewood Drive to Ortega Drive; south on Ortega Drive to Graves Avenue; east on Graves Avenue to Saratoga Avenue; southwest on Saratoga Avenue to Campbell Avenue; southeast on Campbell Avenue to Hamilton Avenue; northeast and east on Hamilton Avenue to San Tomas Aquino Road; south on San Tomas Aquino Road to Rincon Avenue; west on Rincon Avenue to San Tomas Aquino Road; south, east and southwest on San Tomas Aquino Road to Hacienda Avenue; east on Hacienda Avenue to Winchester Boulevard; southwest on Winchester Boulevard to the West Valley Freeway (proposed) (State Highway 85); east on the West Valley Freeway (proposed) to Los Gatos Creek; south on Los Gatos Creek to the northwest extension of Burton Road; southeast on Burton Road and its extension to Bascom Avenue; northeast on Bascom Avenue to National Avenue; south on National Avenue to Branham Lane; east on Branham Lane to Union Avenue; north on Union Avenue to Camden Avenue; east and southeast on Camden Avenue to Branham Lane; west on Branham Lane to Harwood Road; south on Harwood Road to Los Gatos Almaden Road; west on Los Gatos Almaden Road to Leigh Avenue; south on Leigh Avenue to Blossom Hill Road; west on Blossom Hill Road to Westhill Drive; south and southeast on Westhill Drive to Bacigalupi Drive; southwest and southeast on Bacigalupi Drive to Belridge Drive; east on Belridge Drive to Harwood Road; south on Harwood Road and its southern extension to Hicks Road; meandering south and southeast on Hicks Road and its southeast extension to the Almaden Reservoir; southwest on the Almaden Reservoir to Herbert Creek; southwest on Herbert Creek to the southwest boundary of Rancho San Jose; southeast on the boundary of Rancho San Jose to the east boundary of Section 14 of T. 9 S., R. 1 E.; south on the east boundary of Sections 14 and 23 of T. 9 S., R. 1 E. to the south boundary of Section 23 of T. 9 S., R. 1 E.; west on the south boundary of Section 23 of T. 9 S., R. 1 E. to the west boundary of Section 26 of T. 9 S., R. 1 E.; south on the west boundary of Sections 26 and 35 of T. 9 S., R. 1 E. and the west boundary of Section 2 of T. 10 S., R. 1 E. to the Santa Cruz-Santa Clara county line.

30223. The 23rd Assembly District shall include those portions of Santa Clara and San Mateo Counties bounded and described as follows:

Beginning at the intersection of the Alameda-Santa Clara county line and the Nimitz Freeway (State Highway 17); south on the Nimitz Freeway to Alviso Milpitas Road; northeast on Alviso Milpitas Road to Calaveras Boulevard; northeast on Calaveras Boulevard to the Southern Pacific Railroad; south on the Southern Pacific Railroad to Trimble Road; east and northeast on Trimble Road to Capitol Avenue; southeast on Capitol Avenue to Cropley Avenue; east on Cropley Avenue to Interstate 680 (proposed); south on Interstate 680 (proposed) to McKee Road; northeast on McKee Road to Capitol Avenue; southeast on Capitol Avenue to Alum Rock Avenue; southwest on Alum Rock Avenue to Interstate 680 (proposed), south and southwest on Interstate 680 (proposed) to King Road; southeast on King Road to Story Road; southwest on Story Road to the Bayshore Freeway (U.S. Highway 101); northwest on the Bayshore Freeway to the northeast extension of Herald Avenue; southwest on the northeast extension of Herald Avenue, Herald Avenue and its southwest extension to the Western Pacific Railroad; south on the Western Pacific Railroad to Coyote Creek; northwest on Coyote Creek to the northeast extension of Martha Street; southwest on the northeast extension of Martha Street and Martha Street to 1st Street; southeast on 1st Street to Willow Street; southwest on Willow Street to Mastic Street; southeast on Mastic Street to Good Year Street; southwest on Good Year Street to Mastic Street; southeast on Mastic Street to Alma Avenue; southwest on Alma Avenue to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the northeast extension of Northern Road; southwest on the northeast extension of Northern Road and Northern Road to Willow Glen Way; west on Willow Glen Way to Guadalupe Creek; south on Guadalupe Creek to Curtner Avenue; southwest on Curtner Avenue to Lincoln Avenue; northwest on Lincoln Avenue to Pine Avenue; southwest on Pine Avenue to Hicks Avenue; north on Hicks Avenue to Hamilton Avenue; west on Hamilton Avenue to Dry Creek (near Willowbrae Avenue); north on Dry Creek to the west San Jose city limits (near Willowbrae Avenue); west, north, east, north and west on the San Jose city limits to Meridian Avenue; north on Meridian Avenue to Willow Street; east and northeast on Willow Street to Bird Avenue; northwest and north on Bird Avenue to Fuller Avenue; east on Fuller Avenue to the south extension of Willis Avenue; north on the south extension of Willis Avenue, Willis Avenue and its northern extension to Interstate 280; southwest on Interstate 280 to Los Gatos Creek; north on Los Gatos Creek to Park Avenue; west on Park Avenue to Meridian Avenue; south on Meridian Avenue to San Carlos Avenue; west on San Carlos Avenue to Wabash Avenue; north on Wabash Avenue to Forest Street, west on

Forest Street to the Nimitz Freeway (State Highway 17); northeast on the Nimitz Freeway to the Bayshore Freeway (U.S. Highway 101); northwest on the Bayshore Freeway to Permanente Creek; south on Permanente Creek to the Central Expressway; northwest on the Central Expressway to the northeast extension of Escuela Avenue; southwest on the northeast extension of Escuela Avenue and Escuela Avenue to El Camino Real; northwest on El Camino Real to Adobe Creek; southwest on Adobe Creek to the northeast extension of the north boundary of Alta Mesa Cemetery; southwest on the northeast extension of the north boundary of Alta Mesa Cemetery, its north boundary and its southwest extension to Arastradero Road; southwest on Arastradero Road to the Foothill Expressway; northwest on the Foothill Expressway to Junipero Serra Boulevard; northwest on Junipero Serra Boulevard to the San Mateo-Santa Clara county line; meandering northeast on the San Mateo-Santa Clara county line to the Southern Pacific Railroad (near Alma Street); southeast on the Southern Pacific Railroad to Oregon Avenue; northeast on Oregon Avenue to the Bayshore Freeway (U.S. Highway 101); northwest on the Bayshore Freeway to the San Mateo-Santa Clara county line; meandering northeast on the San Mateo-Santa Clara county line to the Alameda-Santa Clara county line; meandering east on the Alameda-Santa Clara county line to the point of beginning.

Beginning at the intersection of the Santa Clara-San Mateo county line and the south extension of Menalto Avenue; north on the south extension of Menalto Avenue and Menalto Avenue to the Bayshore Freeway (U.S. Highway 101); northwest on the Bayshore Freeway to the east extension of Bay Road; west on the east extension of Bay Road and Bay Road to Marsh Road; south on Marsh Road to the north Atherton city limits; meandering southwest on the Atherton city limits to Morgan Avenue; northwest on Morgan Avenue to Woodside Road (State Highway 114); southwest on Woodside Road to Fernside Street; northwest on Fernside Street to Goodwin Avenue; northeast on Goodwin Avenue to Virginia Avenue; northwest on Virginia Avenue to Redwood Avenue; southwest on Redwood Avenue to Fairview Avenue; northwest on Fairview Avenue to Roosevelt Avenue; northeast on Roosevelt Avenue to Taft Street; northwest on Taft Street to Vera Street; northeast on Vera Street to Ruby Street; northwest on Ruby Street to Jefferson Avenue; northeast on Jefferson Avenue to Fulton Street; northwest on Fulton Street to Harrison Avenue; southwest on Harrison Avenue to Grand Street; northwest on Grand Street to James Avenue; northeast on James Avenue to El Camino Real (State Highway 82); southeast on El Camino Real to Harrison Avenue; southwest on Harrison Avenue to Adams Street;

southeast on Adams Street to Oak Avenue; southwest on Oak Avenue to Clinton Street; southeast on Clinton Street to Redwood Avenue, northeast on Redwood Avenue to El Camino Real; southeast on El Camino Real to Woodside Road (State Highway 114); northeast on Woodside Road to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the east Redwood City city limits; generally north and east on the Redwood City city limits to Bay Road; east on Bay Road to Haven Avenue; north on Haven Avenue and its north extension to the west Menlo Park city limits; north, east and northeast on the Menlo Park city limits to the Alameda-San Mateo county line; southeast on the Alameda-San Mateo county line to the Santa Clara-San Mateo county line; southwest on the Santa Clara-San Mateo county line to the point of beginning.

30224. The 24th Assembly District shall include that portion of Santa Clara County bounded and described as follows:

Beginning at the intersection of Permanente Creek and the Bayshore Freeway (U.S. Highway 101); southeast on the Bayshore Freeway to the Nimitz Freeway (State Highway 17); southwest on the Nimitz Freeway to Forest Avenue; east on Forest Avenue to Wabash Avenue; south on Wabash Avenue to San Carlos Street; east on San Carlos Street to Meridian Avenue; north on Meridian Avenue to Park Avenue; east on Park Avenue to Los Gatos Creek; southwest on Los Gatos Creek to Interstate 280; northeast on Interstate 280 to the north extension of Willis Avenue; south on the north extension of Willis Avenue, Willis Avenue and its south extension to Fuller Avenue; west on Fuller Avenue to Bird Avenue; south and southeast on Bird Avenue to Willow Street; southwest on Willow Street to Lincoln Avenue; northwest on Lincoln Avenue to Los Gatos Creek; southwest on Los Gatos Creek to the east extension of Fruitdale Avenue; west on the east extension of Fruitdale Avenue and Fruitdale Avenue to Meridian Avenue; northwest on Meridian Avenue to the Southern Pacific Railroad; southwest on the Southern Pacific Railroad to Bascom Avenue; south on Bascom Avenue to Hamilton Avenue; west on Hamilton Avenue to the Southern Pacific Railroad; southwest on the Southern Pacific Railroad to the Nimitz Freeway (State Highway 17); meandering southwest on the Nimitz Freeway to Camden Avenue; southeast and east on Camden Avenue to Union Avenue; south on Union Avenue to Branham Lane; west on Branham Lane to National Avenue; north on National Avenue to Bascom Avenue; southwest on Bascom Avenue to Burton Road; northwest on Burton Road and its extensions to Los Gatos Creek; northeast on the Gatos Creek to the West Valley Freeway (State Highway 85) (proposed); west on the West

Valley Freeway (proposed) to Winchester Boulevard; northeast on Winchester Boulevard to Hacienda Avenue; west on Hacienda Avenue to San Tomas Aquino Road; north, west and north on San Tomas Aquino Road to Rincon Avenue; east on Rincon Avenue to San Tomas Aquino Road; north on San Tomas Aquino Road to Hamilton Avenue; west and southwest on Hamilton Avenue to Campbell Avenue; northwest on Campbell Avenue to Saratoga Avenue; northeast on Saratoga Avenue to Graves Avenue; west on Graves Avenue to Ortega Drive; north on Ortega Drive to Englewood Drive; east on Englewood Drive to Burkette Drive; northeast on Burkette Drive to Clarendon Drive; southeast on Clarendon Drive to Saratoga Avenue; northeast on Saratoga Avenue to Moorpark Avenue; west on Moorpark Avenue to Mitty Way; west on Mitty Way to the Lawrence Expressway; north on the Lawrence Expressway to Homestead Road; west on Homestead Road to Wolfe Road; north on Wolfe Road to Fremont Avenue; west on Fremont Avenue to Saratoga-Sunnyvale Road (State Highway 85); north on Saratoga-Sunnyvale Road to El Camino Real (State Highway 82); northwest on El Camino Real to the west Sunnyvale city limits; southwest on the Sunnyvale city limits to Stevens Creek; northwest on Stevens Creek to the Stevens Freeway (State Highway 85); northwest on the Stevens Freeway to El Camino Real (State Highway 82); northwest on El Camino Real to Escuela Avenue; northeast on Escuela Avenue and its northeast extension to the Central Expressway; southeast on the Central Expressway to Permanente Creek; northeast and north on Permanente Creek to the point of beginning.

30225. The 25th Assembly District shall include that portion of Santa Clara County bounded and described as follows:

Beginning at the intersection of the Alameda-Santa Clara county line and the Nimitz Freeway (State Highway 17); south on the Nimitz Freeway to Alviso Milpitas Road; northeast on Alviso Milpitas Road to Calaveras Boulevard; northeast on Calaveras Boulevard to the Southern Pacific Railroad; south on the Southern Pacific Railroad to Trimble Road; east and northeast on Trimble Road to Capitol Avenue; southeast on Capitol Avenue to Cropley Avenue; east on Cropley Avenue to Interstate 680 (proposed); south on Interstate 680 (proposed) to McKee Road; northeast on McKee Road to Capitol Avenue; southeast on Capitol Avenue to Alum Rock Avenue; southwest on Alum Rock Avenue to Interstate 680 (proposed); south and southwest on Interstate 680 (proposed) to King Road; southeast on King Road to Story Road; southwest on Story Road to the Bayshore Freeway (U.S. Highway 101); northwest on the Bayshore Freeway to the

northeast extension of Herald Avenue; southwest on the northeast extension of Herald Avenue, Herald Avenue and its southwest extension to Western Pacific Railroad; south on the Western Pacific Railroad to Coyote Creek; northwest on Coyote Creek to the northeast extension of Martha Street; southwest on the northeast extension of Martha Street and Martha Street to 1st Street; southeast on 1st Street to Willow Street; southwest on Willow Street to Mastic Street; southeast on Mastic Street to Good Year Street; southwest on Good Year Street to Mastic Street; southeast on Mastic Street to Alma Avenue; southwest on Alma Avenue to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the northeast extension of Northern Road; southwest on the northeast extension of Northern Road and Northern Road to Willow Glen Way; west on Willow Glen Way to Guadalupe Creek; south on Guadalupe Creek to Branham Lane; southwest on Branham Lane to the northwest extension of Joseph Lane; southeast on the northwest extension of Joseph Lane and Joseph Lane to Kooser Road; southwest and south on Kooser Road to Camden Avenue; south on Camden Avenue to Guadalupe Creek; southwest and south on Guadalupe Creek to Coleman Road; northeast and east on Coleman Road and its east extension to Alamitos Creek; south and southeast on Alamitos Creek to Arroyo Calero; southeast on Arroyo Calero to McKean Road; east and southeast on McKean Road to Uvas Road; southeast on Uvas Road to Watsonville Road; southeast and south on Watsonville Road to Burchell Road; meandering southeast on Burchell Road to State Highway 152; west on State Highway 152 to Uvas Creek; southeast on Uvas Creek to Santa Teresa Boulevard (proposed); meandering southeast on Santa Teresa Boulevard (proposed) to State Highway 25; east on State Highway 25 to Bloomfield Avenue; northeast on Bloomfield Avenue to Ferguson Road; northwest on Ferguson Road to Jones Creek; meandering northeast and east on Jones Creek to the east boundary of Section 1 of T. 11 S., R. 4 E.; north on the east boundary of Section 1 of T. 11 S. R. 4 E. and Sections 36, 25 and 24 of T. 10 S., R. 4 E. to the north boundary of Section 24 of T. 10 S., R. 4 E.; west on the north boundary of Sections 24 and 23 of T. 10 S., R. 4 E. to the east boundary of Rancho La Polka; northwest and west on the east boundary of Rancho La Polka to the west boundary of Section 4 of T. 10 S., R. 4 E.; north on the west boundary of Section 4 of T. 10 S., R. 4 E. in a direct line to the Alameda-Santa Clara county line; west and southwest on the Alameda-Santa Clara county line to the point of beginning.

30226. The 26th Assembly District shall include those portions of Santa Clara and San Mateo Counties bounded and described as follows:

All that portion of Santa Clara County not included in the 10th, 22nd, 23rd, 24th, or 25th Assembly Districts as bounded and described in Sections 30210, 30222, 30223, 30224, and 30225 and that portion of San Mateo County bounded and described as follows:

Beginning at the intersection of the west San Bruno city limits and Moreland Drive; northeast and northwest on Moreland Drive to College Drive; east on College Drive to Skyline Boulevard; southeast on Skyline Boulevard to Sneath Lane; northeast on Sneath Lane to the Junipero Serra Freeway (Interstate 280); southeast on the Junipero Serra Freeway to Crystal Springs Avenue; east and northeast on Crystal Springs Avenue to the northwest extension of De Soto Way; southeast on the northwest extension of De Soto Way and De Soto Way to Bayview Avenue; southwest and south on Bayview Avenue to Lomita Avenue; west and south on Lomita Avenue to Ridgewood Drive; southeast on Ridgewood Drive to Lakespur Drive; southwest on Lakespur Drive to Helen Drive; southeast and northeast on Helen Drive to Magnolia Avenue; southeast on Magnolia Avenue to Meadow Glen Avenue; northeast on Meadow Glen Avenue to Broadway; southeast on Broadway to Taylor Boulevard; northeast on Taylor Boulevard to El Camino Real (State Highway 82); southeast on El Camino Real (State Highway 82) to Murchison Drive; northeast on Murchison Drive and its northeast extension to the Southern Pacific Railroad (near California Drive); southeast on the Southern Pacific Railroad to Tilton Avenue; northeast on Tilton Avenue to Fremont Street; southeast on Fremont Street to 10th Avenue; southwest on 10th Avenue and its southwest extension to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the northeast extension of 10th Avenue; southwest on the northeast extension of 10th Avenue and 10th Avenue to Palm Avenue; southeast on Palm Avenue to 14th Avenue; southwest on 14th Avenue to El Camino Real (State Highway 82); southeast on El Camino Real to 36th Avenue; southwest on 36th Avenue to Edison Street; southeast on Edison Street to 42nd Avenue; southwest on 42nd Avenue to Camden Avenue; east on Camden Avenue to the north Belmont city limits; northeast on the Belmont city limits to El Camino Real (State Highway 82); southeast on El Camino Real to Whipple Avenue; southwest on Whipple Avenue to Arch Street; southeast on Arch Street to Brewster Avenue; southwest on Brewster Avenue to Jeter Street; southeast on Jeter Street to Katherine Avenue; southwest on Katherine Avenue to Myrtle Street; southeast on Myrtle Street to Jefferson Avenue; southwest on Jefferson Avenue to Ruby Street; southeast on Ruby Street to Vera Street; southwest on Vera Street to Taft Street; southeast on Taft Street to Roosevelt Street; southwest

on Roosevelt Street to Fairview Avenue; southeast on Fairview Avenue to Redwood Avenue; northeast on Redwood Avenue to Virginia Avenue; southeast on Virginia Avenue to Goodwin Avenue; southwest on Goodwin Avenue to Fernside Street; southeast on Fernside Street to Woodside Road; northwest on Woodside Road to Horgan Avenue; southeast on Horgan Avenue to the west Atherton city limits; generally northeast on the Atherton city limits to Bay Road; east on Bay Road and its east extension to the Bayshore Freeway (U.S. Highway 101); southeast on the Bayshore Freeway to Menalto Avenue; southwest on Menalto Avenue and its southwest extension to the Santa Clara-San Mateo county line; south on the Santa Clara-San Mateo county line to the San Mateo-Santa Cruz county line; generally south and west on the San Mateo-Santa Cruz county line to Pacific Ocean; north on Pacific Ocean to the south city limit of Half Moon Bay; east and north on the city limit of Half Moon Bay to Frenchman's Creek and its north extension to the south boundary of the San Francisco State Fish and Game Refuge; west and north on the boundary of the San Francisco State Fish and Game Refuge to an east extension of the south boundary of the San Francisco City Jail; west on said boundary to the east boundary of the San Francisco County Jail; north on said boundary to point of beginning.

30227. The 27th Assembly District shall include that portion of San Mateo County not included in the 19th, 23rd, or 26th Assembly Districts as bounded and described in Sections 30219, 30223, and 30226.

30228. The 28th Assembly District shall include that portion of Kern County not included in the 29th and 33rd Assembly Districts as bounded and described in Sections 30229 and 30233, and that portion of San Bernardino County which lies west and north of the line described as follows:

Beginning at the intersection of the Inyo-San Bernardino county line and State Highway 127; south on State Highway 127 to the Los Angeles Bureau of Power & Light Transmission Line; southwest on the Los Angeles Bureau of Power & Light Transmission Line and its southwest extension to Mineola Road; south on Mineola Road to the Mojave River; southwest and west on the Mojave River to Interstate 15; southwest on Interstate 15 to Main Street; southeast on Main Street to Interstate 40; west on Interstate 40 to Interstate 15; west on Interstate 15 to the north extension of "L" Street; north on the north extension of "L" Street to the Mojave River; generally southwest, south and southeast on the Mojave River to State Highway 18; west on State Highway 18 to 11th Street; southwest on 11th Street to "C" Street; northwest on "C" Street to 11th Street; southwest on 11th Street to "B" Street; northwest on "B" Street to 9th Street; southwest on 9th Street

to Hesperia Road; south on Hesperia Road to Verde Street; west on Verde Street to Mojave Drive; north, northwest and west on Mojave Drive and its west extension to the Los Angeles Bureau of Power & Light Transmission Line; southwest on the Los Angeles Bureau of Power & Light Transmission Line to the north boundary of the San Bernardino National Forest; generally southeast on the boundary of the San Bernardino National Forest to Interstate 15; generally south and southeast on Interstate 15 to the southeast boundary of the San Bernardino National Forest; generally southwest, southeast, west, south, southwest, northwest, south and west on the boundary of the San Bernardino National Forest to Lytle Creek Road; southwest on Lytle Creek Road to Citrus Avenue; south on Citrus Avenue to Summit Avenue; west on Summit Avenue to the Devore Freeway (proposed) (State Highway 39); southwest on the Devore Freeway (proposed) to Cherry Avenue; south on Cherry Avenue to Foothill Boulevard (U.S. Highway 66); west on Foothill Boulevard to Euclid Avenue; south on Euclid Avenue to the San Bernardino Freeway (Interstate 10); east on the San Bernardino Freeway (Interstate 10) to Campus Avenue; south on Campus Avenue to "G" Street; west on "G" Street to Sultana Avenue; south on Sultana Avenue to Main Street; west on Main Street to Vine Avenue; north on Vine Avenue to Holt Boulevard; west on Holt Boulevard to Benson Avenue; north on Benson Avenue to Orchard Street; west on Orchard Street to Central Avenue; north on Central Avenue to San Bernardino Street; west on San Bernardino Street to Carrillo Avenue; north on Carrillo Avenue to Palo Verde Street; west on Palo Verde Street to the Los Angeles-San Bernardino county line.

30229. The 29th Assembly District shall include that portion of Ventura County not included in the 60th, 64th and 37th Assembly Districts as bounded and described in Sections 30260, 30264 and 30237 and those portions of Kern, San Luis Obispo and Santa Barbara Counties bounded and described as follows:

That portion of Kern County which lies south and west of the line beginning at the intersection of the Kern-Tulare county line and State Highway 65; south on State Highway 65 to State Highway 99; southeast on State Highway 99 to the Kern River; northeast on the Kern River to Manor Street; southeast on Manor Street to Union Avenue; south on Union Avenue to Summer Street; southeast on Summer Street to Truxton Avenue; east on Truxton Avenue to the Edison Highway (State Highway 58); southeast on the Edison Highway (State Highway 58) to Morning Drive; south on Morning Drive to Brundage Lane; west on Brundage Lane and its continuance as Stockdale Highway to Enos Lane; south

on Enos Lane to Union Road; east on Union Road to Coleslevee Road; south on Coleslevee Road to Pieri Road; east on Pieri Road to Hill Road; south on Hill Road to Millux Road; east on Millux Road to Old River Road; south on Old River Road to Copus Road; east on Copus Road to State Highway 99; southeast on State Highway 99 to the Kern-Los Angeles county line.

That portion of San Luis Obispo County which lies east of the line beginning at the intersection of the Monterey-San Luis Obispo county line and the Santa Lucia Range Ridge Line; meandering southeast on the Santa Lucia Range Ridge Line to the southwest boundary of Rancho Asuncion; southeast on the boundary of Rancho Asuncion to the east boundary of Section 5 of T. 29 S., R. 12 E.; south on the east boundary of Sections 5, 8, 17, 20 and 29 of T. 29 S., R. 12 E. to the north boundary of Camp San Luis Obispo; west and southwest on the boundary of Camp San Luis Obispo to Cabrillo Highway (State Highway 1); northwest on Cabrillo Highway to the east Morro Bay city limits; south and west on the Morro Bay city limits to Morro Bay; south and east on Morro Bay to the north extension of 5th Street; south on the north extension of 5th Street and 5th Street to Santa Ysabel Avenue; east on Santa Ysabel Avenue to 7th Street; south on 7th Street to Ramona Avenue; east on Ramona Avenue to 9th Street; south on 9th Street to Los Osos Valley Road; west on Los Osos Valley Road to Pecho Road; southwest on Pecho Road to West Woodland Avenue; west on West Woodland Avenue and its west extension to the Pacific Ocean.

That portion of Santa Barbara County not included in the 36th or 37th Assembly District as bounded and described in Sections 30236 and 30237.

30230. The 30th Assembly District shall include those portions of Merced, San Joaquin and Stanislaus Counties bounded and described as follows:

That portion of Merced County not included in the 31st Assembly District as bounded and described in Section 30231.

That portion of San Joaquin County not included in the 9th, 10th or 12th Assembly Districts as bounded and described in Sections 30209, 30210 and 30212.

That portion of Stanislaus County which lies west of the line beginning at the intersection of the San Joaquin-Stanislaus county line and Santa Fe Road; south on Santa Fe Road to U.S. Highway 108; east and northeast on U.S. Highway 108 to Langworth Road; south on Langworth Road to Milnes Road; west on Milnes Road to Claus Road; north on Claus Road to Sylvan Avenue; west on Sylvan Avenue to Oakdale Road; south on Oakdale Road to Dry Creek; meandering east on Dry Creek to Wellsford Road; south on Wellsford Road to Garst Road; west on Garst Road to Root Road; south on Root Road

and its south extension to the Tuolumne River; west on the Tuolumne River to Santa Fe Avenue;southeast on Santa Fe Avenue to Hatch Road; west on Hatch Road to Clinton Road; south on Clinton Road to Whitmore Avenue; west on Whitmore Avenue to Washington Road; south on Washington Road to Keyes Road; east on Keyes Road to Berkeley Avenue; south on Berkeley Avenue to Taylor Road; west on Taylor Road to Berkeley Avenue; south on Berkeley Avenue to Monte Vista Avenue; west on Monte Vista Avenue to U.S. Highway 99; northwest on U.S. Highway 99 to adopted U.S. Highway 99; southeast on adopted U.S. Highway 99 to West Main Street; east on West Main Street to the west Turlock city limits; south and east on the Turlock city limits to U.S. Highway 99; southeast on U.S. Highway 99 to the Stanislaus-Merced county line.

30231. The 31st Assembly District shall include all of San Benito and Santa Cruz Counties and that portion of Madera County not included in the 32nd Assembly District as bounded and described in Section 30232 and those portions of Monterey, Fresno and Merced Counties bounded and described as follows:

That portion of Monterey County which lies north of the line beginning at the intersection of Elkhorn Slough and the Pacific Ocean; meandering east, north and east on Elkhorn Slough to Elkhorn Road; southeast and south on Elkhorn Road to Strawberry Road; east on Strawberry Road to Canyon Road; south on Canyon Road to Echo Valley Road; east on Echo Valley Road to U.S. Highway 101; southwest and south on U.S. Highway 101 to Espinosa Road; southeast on Espinosa Road and its continuance as Russell Road to San Juan Grade Road; northeast on San Juan Grade Road to Rogge Road; east on Rogge Road to Natividad Road; northeast on Natividad Road to Old Stage Road; southeast, south and southeast on Old Stage Road and its continuance as Encinal Road to Quail Creek; east and north on Quail Creek to Jacques Hanlon Creek; east on Jacques Hanlon Creek and its east extension to the Monterey-San Benito county line.

That portion of Fresno which lies west on the line beginning at the intersection of the Fresno-Kings county line and the Fresno-Monterey County line; northeast on the Fresno-Kings county line to Lost Hills Avenue (State Highway 33); northwest on Lost Hills Avenue to Sutter Avenue; north on Sutter Avenue to Jayne Avenue; west on Jayne Avenue to El Dorado Avenue; north on El Dorado Avenue to Fresno-Coalinga Road; northeast on Fresno-Coalinga Road to Colusa Avenue; north on Colusa Avenue to Mt. Whitney Avenue; west on Mt. Whitney Avenue to Stanislaus Avenue; north on Stanislaus Avenue to Harlan Avenue; west on Harlan Avenue to State Highway 33; south

on State Highway 33 to Interstate 5; northwest on Interstate 5 to Panoche Road; northeast on Panoche Road to Fairfax Avenue; north on Fairfax Avenue to State Highway 33; southeast on State Highway 33 to Hudson Avenue; north on Hudson Avenue to Valeria Avenue; east on Valeria Avenue to the Madera-Fresno county line and that portion of Fresno County which lies north of the line beginning at the intersection of State Highway 41 and the Fresno-Madera county line; south on State Highway 41 to Perrin Road; east and northeast on Perrin Road to Rice Road; east on Rice Road to Friant Road; south on Friant Road to Shepherd Avenue; east on Shepherd Avenue to Minnewawa Avenue; south on Minnewawa Avenue to Herndon Avenue; east on Herndon Avenue to Toll House Road (State Highway 168); northeast and east on Toll House Road to the Friant-Kern Canal; generally southeast on the Friant-Kern Canal to the Kings River; generally northeast on the Kings River to the Fresno-Inyo county line.

That portion of Merced County which lies east of the line beginning at the intersection of the Stanislaus-Merced county line and Oakdale Road; southeast on Oakdale Road to the Merced River; meandering southwest on the Merced River to Alves Road; south on Alves Road to Meadow Drive; west on Meadow Drive to Cressey Way; south on Cressey Way to Liberty Avenue; west on Liberty Avenue to Arena Way; south on Arena Way to Atwater Jordan Road; east on Atwater Jordan Road to Cressey Way; south on Cressey Way to McSwain Road; east on McSwain Road and its continuance as State Highway 140 to the east Merced city limits; north and east on the Merced city limits to "R" Street; south on "R" Street to 25th Street; southeast on 25th Street to "M" Street; southwest on "M" Street to Childs Avenue; east on Childs Avenue to DeLong Street; north on DeLong Street and its north extension to State Highway 99; southeast on State Highway 99 to the Merced-Madera county line.

30232. The 32nd Assembly District shall include those portions of Fresno and Madera Counties bounded and described as follows:

Beginning at the intersection of State Highway 41 and the Fresno-Madera county line; south on State Highway 41 to Perrin Road; east and northeast on Perrin Road to Rice Road; east on Rice Road to Friant Road; south on Friant Road to Shepherd Avenue; east on Shepherd Avenue to Minnewawa Avenue; south on Minnewawa Avenue to Herndon Avenue; east on Herndon Avenue to Fowler Avenue; south on Fowler Avenue to the east Clovis city limits (near Mesa Avenue); south, west, south, east, south and west on the east Clovis city limits to Sunnyside Avenue; south on Sunnyside Avenue to Shaw Avenue; west on Shaw Avenue to Peach Avenue; south

on Peach Avenue to Ashland Avenue; west on Ashland Avenue to Cedar Avenue; north on Cedar Avenue to Shaw Avenue; west on Shaw Avenue to North 6th Street; north on North 6th Street and its extension to Millbrook Avenue; north on Millbrook Avenue to Bullard Avenue; east on Bullard Avenue to Chestnut Avenue; north on Chestnut Avenue to Herndon Avenue; west on Herndon Avenue to Marks Avenue; south on Marks Avenue to the Atchison, Topeka and Santa Fe Railroad (North of Shaw Avenue); southeast on the Atchison, Topeka and Santa Fe Railroad to Shaw Avenue; east on Shaw Avenue to West Avenue; south on West Avenue to Harvard Avenue; east on Harvard Avenue to Fruit Avenue; south on Fruit Avenue to McKinley Avenue; east on McKinley Avenue to Echo Avenue; north on Echo Avenue and its continuance as Van Ness Boulevard to East Harvard Avenue; east on East Harvard Avenue to Maroa Avenue; south on Maroa Avenue to Terrace Avenue; east on Terrace Avenue and its east extension to the Atchison, Topeka and Santa Fe Railroad; northwest on the Atchison, Topeka and Santa Fe Railroad to the west extension of Harvard Avenue; east on Harvard Avenue to College Avenue; north on College Avenue to Shields Avenue; east on Shields Avenue to Winery Avenue; south on Winery Avenue to McKinley Avenue; west on McKinley Avenue to Chestnut Avenue; south on Chestnut Avenue to Belmont Avenue; east on Belmont Avenue to Peach Avenue; south on Peach Avenue to Kings Canyon Road (State Highway 180); west on Kings Canyon Road to Chestnut Avenue; south on Chestnut Avenue to the Atchison, Topeka and Santa Fe Railroad; east on the Atchison, Topeka and Santa Fe Railroad to Temperance Avenue; south on Temperance Avenue to Central Avenue; east on Central Avenue to Del Rey Avenue; north on Del Rey Avenue to Jensen Avenue; east on Jensen Avenue to Academy Avenue; north on Academy Avenue to Kings Canyon Road (State Highway 180); east on Kings Canyon Road to the north extension of Riverbend Avenue; south on the north extension of Riverbend Avenue and Riverbend Avenue to the Kings River; generally southeast on the Kings River to Manning Avenue; west on Manning Avenue to Bethel Avenue; south on Bethel Avenue to State Highway 99; northwest on State Highway 99 to Mountain View Avenue; west on Mountain View Avenue to De Wolf Avenue; north on De Wolf Avenue to State Highway 99; northwest on State Highway 99 to Manning Avenue; west on Manning Avenue to Fowler Avenue; south on Fowler Avenue to Dinuba Avenue; west on Dinuba Avenue to Clovis Avenue; south on Clovis Avenue to Floral Avenue; west on Floral Avenue to East Avenue; north on East Avenue to Annadale Avenue; west on Annadale Avenue to Elm Avenue; south on Elm Avenue to the North Central Canal; west on the

North Central Canal to Fruit Avenue; north on Fruit Avenue to North Avenue; west on North Avenue to Marks Avenue; south on Marks Avenue to American Avenue; west on American Avenue to Cornelia Avenue; north on Cornelia Avenue to Central Avenue; west on Central Avenue to Chateau Fresno Avenue; north on Chateau Fresno Avenue to McKinley Avenue; west on McKinley Avenue to Lassen Avenue; south on Lassen Avenue to Whites Bridge Road (State Highway 180); west on Whites Bridge Road to James Road; south and southwest on James Road to Fresno Slough; southeast on Fresno Slough to Elkhorn Avenue; east on Elkhorn Avenue to Elm Avenue; south on Elm Avenue to Harlan Avenue; east on Harlan Avenue to Elm Avenue; south on Elm Avenue to the Fresno-Kings county line; west, south and southwest on the Fresno-Kings county line to Lost Hills Avenue (State Highway 33); northwest on Lost Hills Avenue to Sutter Avenue; north on Sutter Avenue to Jayne Avenue; west on Jayne Avenue to El Dorado Avenue; north on El Dorado Avenue to Fresno-Coalinga Road; northeast on Fresno-Coalinga Road to Colusa Avenue; north on Colusa Avenue to Mt. Whitney Avenue; west on Mt. Whitney Avenue to Stanislaus Avenue; north on Stanislaus Avenue to Harlan Avenue; west on Harlan Avenue to State Highway 33; south on State Highway 33 to Interstate 5; northwest on Interstate 5 to Panoche Road; northeast on Panoche Road to Fairfax Avenue; north on Fairfax Avenue to State Highway 33; southeast on State Highway 33 to Hudson Avenue; north on Hudson Avenue to Valeria Avenue; east on Valeria Avenue to the Madera-Fresno county line; generally east on the Madera-Fresno county line to the point of beginning.

Beginning at the intersection of the Fresno-Madera county line and State Highway 99; northwest on State Highway 99 to Avenue 7; west on Avenue 7 to Road 31; north on Road 31 to Avenue 8; east on Avenue 8 to Road 31½; north on Road 31½ to State Highway 99; northwest on State Highway 99 to the east extension of Avenue 20; east on the east extension of Avenue 20 to Road 22; north on Road 22 to Avenue 21; east on Avenue 21 to Berenda Creek; northeast on Berenda Creek to the Madera Canal; generally southeast on the Madera Canal to State Highway 41; south on State Highway 41 to the Fresno-Madera county line; generally west on the Fresno-Madera county line to the point of beginning.

30233. The 33rd Assembly District shall include that portion of Fresno County not included in the 31st or 32nd Assembly District as bounded and described in Sections 30231 and 30232 and those portions of Tulare and Kern Counties bounded and described as follows:

That portion of Tulare County which lies east of the line beginning at the intersection of the Fresno-Tulare county line

and Sand Creek (near Buttonwillow Peak); generally south on Sand Creek to DR 152; generally southwest on DR 152 to the Friant-Kern Canal; meandering southeast on the Friant-Kern Canal to Avenue 328 (Road 200); northeast and north on Road 200 to Rose Street; east on Rose Street to Road 204; south and southeast on Road 204 to Road 212; south on Road 212 to Avenue 350; east on Avenue 350 to Road 216; south on Road 216 to Avenue 344; east on Avenue 344 to Road 228; south on Road 228 to Avenue 340; east on Avenue 340 to State Highway 198; southwest on State Highway 198 to M-296A; south and southeast on M-296A to SA-272A; west on SA-272A to SA-211; southwest on SA-211 to SR-216A; south and west on SR-216A to the Friant-Kern Canal; south on the Friant-Kern Canal to the west extension of D-234; east on the west extension of D-234 and D-234 to R-242C; south on R-242C to A-224A;east on A-224A to R-244 O; south on R-244 O to A-220 O; east on A-220 O to R-254D; south on R-254D east on SA-216C to S-256C; south on S-256C to A-196C; east on A-196C to R-276; south on R-276 to SA-176A; east on SA-176A to R-320; south on R-320 to SM-176B; east on SM-176B to R-172A to Globe Road; west and southwest on Globe Road to A-160A; east and southeast on A-160A to M-160; southeast and south on M-160 to Reservation Road; west on Reservation Road to R-296B; south on R-296B to M-120; south, west and northwest on M-120 to A-120A; west on A-120A to SM-109; southeast on SM-109 to the Kern-Tulare county line.

That portion of Kern County which lies north and east of the line beginning at the intersection of the Kern-Tulare county line and State Highway 65; south on State Highway 65 to State Highway 99; southeast on State Highway 99 to the Kern River; northeast on the Kern River to Manor Street; southeast on Manor Street to Union Avenue; south on Union Avenue to Sumner Street; southeast Sumner Street to Truxton Avenue; east on Truxton Avenue to the Edison Highway (State Highway 58); southeast on the Edison Highway (State Highway 58) to Mt. Vernon Avenue; north on Mt. Vernon Avenue to Panorama Drive; east and southeast on Panorama Drive and its southeast extension to the northeast extension of Columbus Street; southeast and south on the northeast extension of Columbus Street and Columbus Street to Oswell Street; southeast and south on Oswell Street to Auburn Drive; east on Auburn Drive to Fairfax Road; south on Fairfax Road to College Avenue; east on College Avenue and its east extension to Morning Drive; south on Morning Drive to State Highway 178; northeast on State Highway 178 to Commanche Road; south, southeast and south on Commanche Road to State Highway 58; southeast and south on State Highway 58 to Tucker Road; south on Tucker Road and its south extension to Highline Road; east on Highline

Road to Steuber Road; north on Steuber Road to State Highway 58; east on State Highway 58 to the Los Angeles Aquaduct; northeast on the Los Angeles Aquaduct to the north boundary of Section 3 of T. 29 S., R. 37 E.; east on the north boundary of T. 29 S. to the Kern-San Bernardino county line.

30234. The 34th Assembly District shall include those portions of Monterey and San Luis Obispo Counties bounded and described as follows:

That portion of Monterey County not included in the 31st Assembly District as bounded and described in Section 30231.

That portion on San Luis Obispo County not included in the 29th Assembly District as bounded and described in Section 30229.

30235. The 35th Assembly District shall include those portions of Orange and San Bernardino Counties bounded and described as follows:

Beginning at the Intersection of La Palma Avenue and Western Avenue; east on La Palma Avenue to Magnolia Avenue; north on Magnolia Avenue to the Santa Ana Freeway (Interstate 5); southeast on the Santa Ana Freeway to Gilbert Street; north on Gilbert Street to the Riverside Freeway (State Highway 91); northwest on the Riverside Freeway to the Santa Ana Freeway (Interstate 5); northwest on the Santa Ana Freeway to Dale Street; north on Dale Street to the Atchison, Topeka & Santa Fe Railroad; southeast on Atchison, Topeka & Santa Fe Railroad to Gilbert Street north on Gilbert Street to Malvern Avenue; east on Malvern Avenue to Bastanchury Road; northeast on Bastanchury Road to Euclid Street; meandering north on Euclid Street to Imperial Highway; east on Imperial Highway to the west Fullerton city limits; generally north, east, south and east on the Fullerton city limits to Puente Street; south on Puente Street to Brea Creek; south on Brea Creek to the west extension of Rolling Hills Drive; east on the west extension of Rolling Hills Drive and Rolling Hills Drive to State College Boulevard; south on State College Boulevard to Bastanchury Road; southeast on Bastanchury Road to Associated Road; north on Associated Road to the Orange Freeway (State Highway 57); north on the Orange Freeway to the Los Angeles-Orange county line; east on the Los Angeles-Orange county line to the San Bernardino-Orange county line; south on the San Bernardino-Orange county line to the Santa Ana River; southwest on the Santa Ana River to the Riverside Freeway (State Highway 91); west on the Riverside Freeway to State College Boulevard; south on State College Boulevard to Lincoln Avenue; west and southwest on Lincoln Avenue to East Street; southeast on East Street to Santa Ana Street; southwest on Santa Ana Street to the Santa Ana Freeway

(Interstate 5); southeast on the Santa Ana Freeway to Ball Road; west on Ball Road to Knott Street; north on Knott Street to Orange Avenue; east on Orange Avenue to Western Avenue; north on Western Avenue to the point of beginning.

Beginning at the intersection of Philadelphia Street and Palmetto Avenue; south on Palmetto Avenue to Riverside Drive; east on Riverside Drive to the Riverside-San Bernardino county line; south, southwest, south, west, south, west and south on the Riverside-San Bernardino county line to the Orange-San Bernardino county line; northwest on the Orange-San Bernardino county line to the Los Angeles-San Bernardino county line; generally north and east on the Los Angeles-San Bernardino county line to Philadelphia Street; east on Philadelphia Street to the point of beginning.

30236. The 36th Assembly District shall include that portion of Santa Barbara County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the Santa Barbara-San Luis Obispo county line; east on the Santa Barbara-San Luis Obispo county line to Broadway; south on Broadway to Main Street; east on Main Street to Bradley Road; north on Bradley Road and its extension as the Santa Barbara Flood Control right-of-way to the Santa Barbara-San Luis Obispo county line; east on the Santa Barbara-San Luis Obispo county line to the Ventura-Santa Barbara county line; south on the the Ventura-Santa Barbara county line to Foothill Road; west on Foothill Road to Cravens Lane; south on Cravens Lane and its south extension to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to Santa Monica Creek; southwest, west and south on Santa Monica Creek to the Pacific Ocean; west and north on the Pacific Ocean to the point of beginning.

30237. The 37th Assembly District shall include those portions of Ventura and Santa Barbara Counties bounded and described as follows:

Beginning at the intersection of the Santa Barbara-Ventura county line and the Pacific Ocean; north and northeast on the Santa Barbara-Ventura county line to Casitas Pass Road (State Highway 150); generally northeast on Casitas Pass Road to the south boundary of the Los Padres National Forest; east, northeast, south and east on the boundary of Los Padres National Forest to Maricopa Highway (State Highway 33); north on the Maricopa Highway to the Dell Cozy Canyon; northeast on the Dell Cozy Canyon to the west boundary of Section 24 of T. 5 N., R. 23 W.; north on the west boundary of Section 24 of T. 5 N., R. 23 W. to the north boundary of the south ½ of Section 24 of T. 5 N., R. 23 W.; east on the north boundary of the south ½ of Section 24 of T. 5 N., R. 23 W. to the east boundary of Section 24 of T. 5 N., R. 23 W.; north on

the east boundary of Sections 24 and 13 of T. 5 N., R. 23 W. to the north boundary of the south ½ of Section 18 of T. 5 N., R. 22 W.; east on the north boundary of the south ½ of Sections 18, 17 and 16 of T. 5 N., R. 22 W. to the west boundary of Section 15 of T. 5 N., R. 22 W.; north on the west boundary of Section 15 of T. 5 N., R. 22 W. to the north boundary of Section 15 of T. 5 N., R. 22 W.; east on the north boundary of Sections 15, 14 and 13 of T. 5 N., R. 22 W. to the west boundary of Section 18 of T. 5 N., R. 21 W.; south on the west boundary of Section 18 of T. 5 N., R. 21 W. to the south boundary of the north ½ of Section 18 of T. 5 N., R. 21 W.; east on the south boundary of the north ½ of Sections 18 and 17 of T. 5 N., R. 21 W. to the east boundary of Section 17 of T. 5 N., R. 21 W.; south on the east boundary of Section 17 of T. 5 N., R. 21 W. to the south boundary of Section 16 of T. 5 N., R. 21 W.; east on the south boundary of Section 16 of T. 5 N., R. 21 W. to the south boundary of the Sespe Game Refuge; southeast on the Sespe Game Refuge to the Santa Paula Canyon; south and southwest on the Santa Paula Canyon to the south boundary of the Los Padres National Forest; meandering east on the Los Padres National Forest to the west boundary of Rancho Temescal; southwest on the west boundary of Rancho Temescal to Piru Creek, south on Piru Creek to the Santa Clara River; west on the Santa Clara River to the west boundary of Rancho San Francisco; southwest and east on the boundary of Rancho San Francisco to the west boundary of Section 3 of T. 3 N., R. 18 W.; south on the west boundary of Section 3 of T. 3 N., R. 18 W. to the south boundary of the north ½ of Section 3 of T. 3 N., R. 18 W.; east on the south boundary of the north ½ of Sections 3 and 2 of T. 3 N., R. 18 W. to the east boundary of Section 2 of T. 3 N., R. 18 W.; south on the east boundary of Sections 2 and 11 of T. 3 N., R. 18 W. to the south boundary of Section 11 of T. 3 N., R. 18 W.; west on the south boundary of Section 11 of T. 3 N., R. 18 W. to the east boundary of the west ½ of Section 14 of T 3 N., R. 18 W.; south on the east boundary of the west ½ of Sections 14 and 23 of T. 3 N., R. 18 W. to the south boundary of Section 23 of T. 3 N., R. 18 W.; west on the south boundary of Section 23 of T. 3 N., R. 18 W. to the west boundary of Section 26 of T. 3 N., R. 18 W.; south on the west boundary of Section 26 of T. 3 N., R. 18 W. to the south boundary of Section 27 of T. 3 N., R. 18 W.; west on the south boundary of Sections 27, 28, 29 and 30 of T. 3 N., R. 18 W. to Alamos Canyon; southwest on Alamos Canyon to the Southern Pacific Railroad; west on the Southern Pacific Railroad to Quimisa Drive; south on Quimisa Drive and its south extension to Arroyo Simi; southeast and northeast on Arroyo Simi to the north extension of Llevarancho Road; south and southwest on the north extension of Llevarancho Road and Llevarancho Road to Tierra Rejada Road; southwest

on Tierra Rejada Road to the Tierra Rejada-Simi Valley Divide; generally southwest on the Tierra Rejada-Simi Valley Divide to the north Thousand Oaks city limits; west on the Thousand Oaks city limits to Moorpark Road; west on Moorpark Road to the east boundary of Section 16 of T. 2 N., R. 19 W.; north on the east boundary of Section 16 of T. 2 N., R. 19 W. to Arroyo Santa Rosa; west on Arroyo Santa Rosa to the west boundary of Section 16 of T. 2 N., R. 19 W.; north on the west boundary of Section 16 of T. 2 N., R. 19 W. to the east extension of East Presilla Road; west on the east extension of East Presilla Road and East Presilla Road to the south extension of a storm drain about 2,000 feet west of Hitch Road; due north on the south extension of the storm drain and the storm drain to Arroyo Las Posas; west on Arroyo Las Posas to Sand Canyon Road; north on Sand Canyon Road to State Highway 118; west on State Highway 118 to Center School Road; south on Center School Road to Beardsley Wash; southwest on Beardsley Wash to Beardsley Road; southwest on Beardsley Road to Central Avenue; southeast on Central Avenue to the Ventura Freeway (U.S. Highway 101); east on the Ventura Freeway to Arneill Road; north on Arneill Road to the southwest extension of East Dwight Avenue; northeast on the southwest extension of East Dwight Avenue and East Dwight Avenue to Loma Drive; north on Loma Drive to Landen Street; northeast on Landen Street to DeWayne Avenue; south on DeWayne Avenue to Appian Way; east on Appian Way to Roman Avenue; south on Roman Avenue to Germain Street; east on Germain Street and its east extension to Calleguas Creek; southwest and south on Calleguas Creek to the Ventura Freeway (U.S. Highway 101); southeast on the Ventura Freeway to the east extension of the north boundary of Rancho Guadalasca; west on the east extension of the north boundary of Rancho Guadalasca and Rancho Guadalasca to Poncho Road; south in a direct line to the intersection of the east boundary of Point Mugu Park and the Pacific Ocean; northwest on the Pacific Ocean to the point of beginning.

Beginning at the intersection of the Pacific Ocean and the Santa Monica Creek; north, east and northeast on the Santa Monica Creek to the Southern Pacific Railroad; northwest on the Southern Pacific Railroad to the south extension of Cravens Lane; north on the south extension of Cravens Lane and Cravens Lane to Foothill Road (State Highway 192); east on Foothill Road to the Santa Barbara-Ventura county line; southwest on the Santa Barbara-Ventura county line to the Pacific Ocean; west on the Pacific Ocean to the point of beginning.

30238. The 38th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Rosecrans Avenue and Central Avenue; east on Rosecrans Avenue to the southwest extension of Cressey Street; northeast on the southwest extension of Cressey Street and Cressey Street to Paulson Avenue; north on Paulson Avenue to the east Compton city limits; north and west on the Compton city limits to 130th Street; east on 130th Street to Mona Boulevard; northwest on Mona Boulevard to 124th Street; east on 124th Street to Alameda Street; north on Alameda Street to Lynwood Road; southeast on Lynwood Road to Long Beach Boulevard; north on Long Beach Boulevard to Fernwood Avenue; southeast on Fernwood Avenue to Bullis Road; northeast on Bullis Road to Platt Avenue; southeast on Platt Avenue to Century Boulevard; southeast on Century Boulevard and its southeast extension to Century Boulevard; southeast on Century Boulevard to the north Paramount city limits; generally southeast, northeast and southeast on the Paramount city limits to Downey Avenue; northeast on Downey Avenue to Stewart & Gray Road; southeast on Stewart & Gray Road to Brookshire Avenue; northeast on Brookshire Avenue to Firestone Boulevard; southeast on Firestone Boulevard to Lakewood Boulevard; northeast on Lakewood Boulevard to Rosemead Boulevard; northeast on Rosemead Boulevard to the northeast Downey city limits; southeast on the Downey city limits to Hasty Avenue; southwest on Hasty Avenue to Cedartree Road; southeast on Cedartree Road to Sideview Drive; southwest on Sideview Drive to Brookpark Road; southeast on Brookpark Road to True Avenue; southwest on True Avenue and its southwest extension to the Santa Ana Freeway (Interstate 5); southeast on the Santa Ana Freeway to the San Gabriel River; south on the San Gabriel River to Alondra Boulevard; east on Alondra Boulevard to the San Gabriel River Freeway (Interstate 605); south on the San Gabriel River Freeway to the west extension of 166th Street; east on the west extension of 166th Street and 166th Street to the east Cerritos city limits; south and east on the Cerritos city limits to Gridley Road; south on Gridley Road to 183rd Street; west on 183rd Street to the San Gabriel River Freeway (Interstate 605); southeast on the San Gabriel River Freeway to 195th Street; east on 195th Street to Norwalk Boulevard; south on Norwalk Boulevard to Del Amo Boulevard; west on Del Amo Boulevard to the San Gabriel River; northwest on the San Gabriel River to the east extension of Candlewood Street; west on the east extension of Candlewood Street and Candlewood Street to Palo Verde Avenue; north on Palo Verde Avenue to Allington Street; west on Allington Street to Woodruff Avenue; south on Woodruff Avenue to South Street; northwest and west on South Street to the east Long Beach city limits; north, west, north and west on the Long Beach city

limits to Cherry Avenue; south on Cherry Avenue to 64th Street; west on 64th Street to Walnut Avenue; north on Walnut Avenue to 65th Street; west on 65th Street to Lewis Avenue; south on Lewis Avenue to 59th Street; west on 59th Street to Atlantic Avenue; north on Atlantic Avenue to Harding Street; west on Harding Street and its west extension to the Los Angeles River; north on the Los Angeles River to the east extension of Caldwell Street; west on the east extension of Caldwell Street and Caldwell Street to Pauline Street; west on Pauline Street to Caldwell Street; west on Caldwell Street to Mayo Avenue; north on Mayo Avenue to Caldwell Street; west on Caldwell Street to Pearl Avenue; south on Pearl Avenue to Bennett Street; west on Bennett Street to Chester Avenue; south on Chester Avenue to Greenleaf Boulevard; east on Greenleaf Boulevard to the west Long Beach city limits; south on the Long Beach city limits to Artesia Boulevard; west on Artesia Boulevard to Central Avenue; north on Central Avenue to the point of beginning.

30239. The 39th Assembly District shall include that portion of Los Angeles and Orange Counties bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the south extension of Redondo Avenue; north on the south extension of Redondo Avenue and Redondo Avenue to Seventh Street (State Highway 22); east on Seventh Street to Santiago Avenue; north on Santiago Avenue to the Pacific Coast Highway (State Highway 1); northwest on the Pacific Coast Highway to Clark Avenue; north on Clark Avenue to the San Diego Freeway (Interstate 405); west on the San Diego Freeway to Willow Street; west on Willow Street to California Avenue; north on California Avenue to East Wardlow Road; west on East Wardlow Road to Long Beach Boulevard; north on Long Beach Boulevard to Roosevelt Road; west on Roosevelt Road to Weston Road; south on Weston Road to Bixby Road; west on Bixby Road and its west extension to Del Mar Avenue; northwest on Del Mar Avenue to Virginia Vista Court; north on Virginia Vista Court and its north extension to its intersection with the southwest extension of 44th Street; northeast on the southwest extension of 44th Street and 44th Street to Freeland Street; east on Freeland Street to Linden Avenue; south on Linden Avenue to San Antonio Drive; northeast on San Antonio Drive to Orange Avenue; south on Orange Avenue to Carson Street; east on Carson Street to Obispo Avenue; north on Obispo Avenue to Del Amo Boulevard; east on Del Amo Boulevard to Downey Avenue; south and southeast on Downey Avenue to Arbor Road; east on Arbor Road to Hayter Avenue; north on Hayter Avenue and its north extension to Del Amo

Boulevard; east on Del Amo Boulevard to Bellflower Boulevard; south on Bellflower Boulevard to Carson Street; east on Carson Street to Woodruff Avenue; south on Woodruff Avenue to Wardlow Road; east on Wardlow Road to the San Gabriel River; south on the San Gabriel River to Willow Street; east on Willow Street to the Orange-Los Angeles county line; south on the Orange-Los Angeles county line to the Pacific Ocean; northwest on the Pacific Ocean to the point of beginning.

Beginning at the intersection of the Los Angeles-Orange county line and Katella Avenue; east on Katella Avenue Lexington Drive; south on Lexington Drive to the north boundary of the U.S. Reserve Air Base at Los Alamitos; east on said boundary to to Walker Street; north on Walker Street to the Southern Pacific Railroad; east on the Southern Pacific Railroad to Knott Avenue; south on Knott Avenue to the north Garden Grove city limits; west and south on the Garden Grove city limits to the west extension of Huntley Avenue; east on the west extension of Huntley Avenue and Huntley Avenue and its east extension to Knott Avenue; south on Knott Avenue to Brady Way; south on Brady Way and its south extension to the Garden Grove Freeway (State Highway 22); west on the Garden Grove Freeway to Springdale Street, southwest and south on Springdale Street to the San Diego Freeway; northwest on the San Diego Freeway to the north extension of Milan Street; south on Milan Street to Westminster Avenue; west on Westminster Avenue to Rancho Road; southwest on Rancho Road to Bolsa Chica Street; south on Bolsa Chica Street to Bolsa Avenue; east on Bolsa Avenue to Springdale Street; south on Springdale Street to Edinger Avenue; east on Edinger Avenue to Edward's Street; north on Edwards Street to Bolsa Avenue; east on Bolsa Avenue to Hoover Street; north on Hoover Street to Hazard Avenue; east on Hazard Avenue to Harper Street; south on Harper Street to Bolsa Avenue; west on Bolsa Avenue to Beach Boulevard (State Highway 39); south on Beach Boulevard to McFadden Avenue; east on McFadden Avenue to Magnolia Street; south on Magnolia Street to Warner Avenue; west on Warner Avenue to Beach Boulevard; south on Beach Boulevard to the Pacific Ocean; northwest on the Pacific Ocean to the Los Angeles-Orange county line; north on the Los Angeles-Orange county line to the point of beginning.

30240. The 40th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Alameda Street and Olympic Boulevard; northwest on Olympic Boulevard to Ninth Street; northwest on Ninth Street to Hill Street;

southwest on Hill Street to Olympic Boulevard; northwest on Olympic Boulevard to Figueroa Street; northeast on Figueroa Street to Ninth Street; northwest on Ninth Street to Bonnie Brae Street; northeast on Bonnie Brae Street to Seventh Street; northwest on Seventh Street to Hoover Street; north on Hoover Street to Benton Way; northeast on Benton Way to Sixth Street; northwest on Sixth Street to Hoover Street; north on Hoover Street to Third Street; southeast on Third Street to Occidental Boulevard; northeast on Occidental Boulevard to Beverly Boulevard; southeast on Beverly Boulevard to Occidental Boulevard; northeast on Occidental Boulevard to Temple Street; southeast on Temple Street to Coronado Street; southwest on Coronado Street to Third Street; southeast on Third Street to the Harbor Freeway (State Highway 11); northeast on the Harbor Freeway to Second Street; southeast on Second Street to Hope Street; northeast on Hope Street to First Street; southeast on First Street to Broadway; northeast on Broadway to Temple Street; northwest on Temple Street to Glendale Boulevard; northwest and northeast on Glendale Boulevard to Sunset Boulevard; southeast on Sunset Boulevard to Lilac Terrace; southeast on Lilac Terrace to Boylston Street; northeast on Boylston Street to Stadium Way; southeast on Stadium Way to Lilac Terrace; southeast on Lilac Terrace to Lookout Drive; southeast and east on Lookout Drive and its east extension to the Pasadena Freeway (State Highway 11); northeast on the Pasadena Freeway to the Los Angeles River; north and west on the Los Angeles River to Glendale Boulevard; northeast on Glendale Boulevard to the west Glendale city limits; meandering southeast, northeast, northwest and northeast on the Glendale city limits to York Boulevard; southeast and east on York Boulevard to Verdugo Road; south on Verdugo Road to Valle Vista Drive; east on Valle Vista Drive to Avenue 40; south on Avenue 40 to Scandia Way; east on Scandia Way to Division Street; south on Division Street to Primavera Avenue; southeast, south and west on Primavera Avenue to Marchena Drive; southeast on Marchena Drive to a southwest extension of Danforth Drive; northeast on the southwest extension of Danforth Drive and Danforth Drive to Sea View Avenue; south on Sea View Avenue to San Rafael Drive; southwest on San Rafael Drive to Mt. Washington Drive; southeast on Mt. Washington Drive to Mt. Washington Avenue; southeast on Mt. Washington Avenue to Marmion Way; south on Marmion Way to Figueroa Street; northeast on Figueroa Street to Pasadena Avenue; southwest on Pasadena Avenue to Daly Street; south on Daly Street to Mission Road; southwest on Mission Road to the Golden State Freeway (Interstate 5); south on the Golden State Freeway to the San Bernardino Freeway (Interstate 10); east on the San

Bernardino Freeway to State Street; southwest on State Street to City View Avenue; southeast on City View Avenue to St. Louis Street; southwest on St. Louis Street to City View Avenue; southeast on City View Avenue to Soto Street; northeast on Soto Street to the San Bernardino Freeway (Interstate 10); east on the San Bernardino Freeway to Eastern Avenue; south, east and south on Eastern Avenue to Blanchard Street; west on Blanchard Street to Brannick Avenue; south on Brannick Avenue to Floral Drive; west on Floral Drive to Hazard Avenue; north on Hazard Avenue to Dobinson Street; west and northwest on Dobinson Street to Geraghty Avenue; south on Geraghty Avenue to Blanchard Street; west on Blanchard Street to the east Los Angeles city limits; south on the Los Angeles city limits to the east Vernon city limits; south and southeast on the Vernon city limits to the Long Beach Freeway (State Highway 7); south on the Long Beach Freeway to Atlantic Boulevard; southwest on Atlantic Boulevard to the northeast Maywood city limits; southeast on the Maywood city limits to the north Bell city limits; east, south, west and north on the Bell city limits to the east Cudahy city limits; north, west and southeast on the Cudahy city limits to the south Huntington Park city limits; west, north and west on the Huntington Park city limits to the Southern Pacific Railroad (near Alameda Street); northwest on the Southern Pacific Railroad to the north Huntington Park city limits; east, north, east, south and east on the Huntington Park city limits to Soto Street; north on Soto Street to the north Vernon city limits; west on the Vernon city limits to Alameda Street; north on Alameda Street to the point of beginning.

30241. The 41st Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Foothill Boulevard and Glenoaks Boulevard; southeast on Glenoaks Boulevard to the northwest San Fernando city limits; northeast, southeast and northeast on the San Fernando city limits to Foothill Boulevard; southeast on Foothill Boulevard to Vaughn Street; northeast on Vaughn Street and its northeast extension to the east Los Angeles city limits; meandering east and southwest on the Los Angeles city limits to Little Tujunga Wash; southeast and southwest on Little Tujunga Wash to Hansen Dam; west and northwest on the road on top of Hansen Dam to the northeast extension of Osborne Place; southwest on the northeast extension of Osborne Place and Osborne Place to Osborne Street; southwest on Osborne Street to Nordhoff Street; west on Nordhoff Street to Van Nuys Boulevard; south on Van Nuys Boulevard to Sherman Way; west on Sherman Way to Sepulveda Boulevard; south on Sepulveda Boulevard

to Victory Boulevard; west on Victory Boulevard to the San Diego Freeway (Interstate 405); south on the San Diego Freeway to the east extension of Magnolia Boulevard; west on the east extension of Magnolia Boulevard to the Ventura Freeway (U.S. Highway 101); west, northwest and west on the Ventura Freeway to White Oak Avenue; south on White Oak Avenue to White Oak Place; south on White Oak Place to Alonzo Avenue; south on Alonzo Avenue to Twilight Lane, southeast on Twilight Lane and its southeast extension to Encino Avenue; meandering south on Encino Avenue to Mulholland Drive; meandering west on Mulholland Drive to the south extension of Corbin Avenue; north on the south extension of Corbin Avenue and Corbin Avenue to Wells Drive; east on Wells Drive to Avenida Hacienda; southeast on Avenida Hacienda to Tarzana Drive; east on Tarzana Drive to Avenida Oriente; north on Avenida Oriente to Ventura Boulevard; southeast on Ventura Boulevard to Etiwanda Avenue; north on Etiwanda Avenue and its north extension to the Ventura Freeway (U.S. Highway 101); west on the Ventura Freeway to De Soto Avenue; north on De Soto Avenue to Serrania Avenue; north on Serrania Avenue and its north extension to the west extension of Oxnard Street; east on the west extension of Oxnard Street and Oxnard Street to Corbin Avenue; north on Corbin Avenue to the Los Angeles River; west on the Los Angeles River to Winnetka Avenue; north on Winnetka Avenue to Sherman Way; west on Sherman Way to Oso Avenue; north on Oso Avenue to Saticoy Street; east on Saticoy Street to Oakdale Avenue; south on the south extension of Oakdale Avenue and Oakdale Avenue to Sherman Way; east on Sherman Way to Aliso Wash; south on Aliso Wash to Bassett Street; east on Bassett Street to Reseda Boulevard; south on Reseda Boulevard to Vanowen Street; east on Vanowen Street to Balboa Boulevard; north on Balboa Boulevard to Strathern Street; west on Strathern Street to Louise Avenue; north on Louise Avenue to Roscoe Boulevard; east on Roscoe Boulevard to Balboa Boulevard; north on Balboa Boulevard to Nordhoff Street; east on Nordhoff Street to Sepulveda Boulevard; north on Sepulveda Boulevard to Lassen Street; west on Lassen Street to Balboa Boulevard; north on Balboa Boulevard to Devonshire Street; east on Devonshire Street to Sepulveda Boulevard; north on Sepulveda Boulevard to Chatsworth Street; west on Chatsworth Street to Bull Creek; north on Bull Creek to San Fernando Mission Boulevard; east on San Fernando Mission Boulevard to Stranwood Avenue; northwest on Stranwood Avenue to Sepulveda Boulevard; north on Sepulveda Boulevard to Stranwood Avenue; northwest on Stranwood Avenue and its extensions to Rinaldi Street; west on Rinaldi Street to Balboa Boulevard; north on Balboa Boulevard to San

Fernando Road; southeast on San Fernando Road to the south extension of Filbert Street; north on the south extension of Filbert Street and Filbert Street to Foothill Boulevard; northeast on Foothill Boulevard to the point of beginning.

30242. The 42nd Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Van Nuys Boulevard and Nordhoff Street; east on Nordhoff Street to Osborne Street; northeast on Osborne Street to Osborne Place; northeast on Osborne Place and its northeast extension to Hansen Dam; southeast and east on the road on top of Hansen Dam and its east extension to a north extension of Clybourn Avenue; southeast on the north extension of Clybourn Avenue and Clybourn Avenue to Tuxford Street; southeast and east on Tuxford Street to Wheatland Avenue; south on Wheatland Avenue to Glenoaks Boulevard; southeast on Glenoaks Boulevard to the northeast extension of Armenita Street; southwest on the northeast extension of Armenita Street and Armenita Street to Arcola Avenue; south on Arcola Avenue and its southern extension to the Southern Pacific Railroad; southeast on the Southern Pacific Railroad to the north extension of Lincoln Street; south on the north extension of Lincoln Street and Lincoln Street to Kenmere Avenue; west on Kenmere Avenue to Buena Vista Street; south on Buena Vista Street to the Southern Pacific Railroad; northwest on the Southern Pacific Railroad to the west Burbank city limits; southeast and west on the Burbank city limits to Magnolia Boulevard; west on Magnolia Boulevard to Whitsett Avenue; south on Whitsett Avenue to the Ventura Freeway (U.S. Highway 101); west on the Ventura Freeway to the north extension of Atoll Avenue; south on the north extension of Atoll Avenue and Atoll Avenue to Sarah Street; west on Sarah Street to Fulton Avenue; south on Fulton Avenue to Moorpark Street; west on Moorpark Street to Greenbush Avenue; south on Greenbush Avenue to Ventura Boulevard; east on Ventura Boulevard to Dixie Canyon Avenue; south on Dixie Canyon Avenue to Valley Vista Boulevard; meandering west on Valley Vista Boulevard to Beverly Glen Boulevard; north on Beverly Glen Boulevard to Valley Vista Boulevard; meandering northwest on Valley Vista Boulevard to Kester Avenue; northeast on Kester Avenue to Ventura Boulevard; west on Ventura Boulevard to Kester Avenue; north on Kester Avenue to the Los Angeles River; east on the Los Angeles River to Van Nuys Boulevard; north on Van Nuys Boulevard to Magnolia Boulevard; west on Magnolia Boulevard and its west extension to the San Diego Freeway (Interstate 405); north and northwest on the San Diego Freeway to Victory Boulevard; east on Victory Boulevard to

Sepulveda Boulevard; north on Sepulveda Boulevard to Sherman Way; east on Sherman Way to Van Nuys Boulevard; north on Van Nuys Boulevard to the point of beginning.

30243. The 43rd Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of 6th Street and East Walnut Avenue; northeast on East Walnut Avenue and its northeast extension to the west Glendale city limits; northwest, east and north on the Glendale city limits to Santa Carlotta Street; southeast on Santa Carlotta Street to Lauderdale Avenue; south on Lauderdale Avenue to Foothill Boulevard (State Highway 118); southeast on Foothill Boulevard to the east Glendale city limits; south, southeast, south and west on the Glendale city limits to the northeast extension of Hillmont Avenue; southwest on the northeast extension of Hillmont Avenue and Hillmont Avenue to Eagle Vista Drive; southwest on Eagle Vista Drive to Colorado Boulevard; west on Colorado Boulevard to Townsend Avenue; south on Townsend Avenue to Yosemite Drive; west on Yosemite Drive to Townsend Avenue; south on Townsend Avenue to Oak Grove Drive; east on Oak Grove Drive to Silver Oak Terrace; southwest on Silver Oak Terrace to Silverwood Drive; southeast on Silverwood Drive to Avenue 51; southwest on Avenue 51 to Baltimore Street; west on Baltimore Street to Avenue 50; south on Avenue 50 to El Paso Drive; northwest on El Paso Drive to Cleland Avenue; southwest on Cleland Avenue to Division Street; northwest on Division Street to Avenue 42; northwest on Avenue 42 to Scandia Way; southwest on Scandia Way to Avenue 40; northwest on Avenue 40 to Valle Vista Drive; southwest on Valle Vista Drive to Verdugo Road; north on Verdugo Road to York Boulevard; west and northwest on York Boulevard to the south Glendale city limits; west, southeast, southwest and northwest on the Glendale city limits to Glendale Boulevard; southwest on Glendale Boulevard to the Los Angeles River; southeast on the Los Angeles River to Fletcher Drive; southwest on Fletcher Drive to Glendale Boulevard; south on Glendale Boulevard to Earl Street; west and northwest on Earl Street to Silver Lake Boulevard; southwest on Silver Lake Boulevard to Cove Avenue; northwest on the northwest extension of Cove Avenue to West Silverlake Drive; south on West Silverlake Drive to Redesdale Avenue; south on Redesdale Avenue to the east extension of Landa Street; west on the east extension of Landa Street and Landa Street to Hyperion Avenue; northeast on Hyperion Avenue to Rowena Avenue; northwest and west on Rowena Avenue to Avocado Street; west on Avocado Street to Commonwealth Avenue; south on Commonwealth Avenue to Prospect Avenue; west

on Prospect Avenue to Hollywood Boulevard; west on Hollywood Boulevard to Normandie Avenue; north on Normandie Avenue to Franklin Avenue; west on Franklin Avenue to Western Avenue; north on Western Avenue to Fern Dell Drive; northeast on Fern Dell Drive to the south Griffith Park boundary; southwest on the Griffith Park boundary to the east boundary of Rancho Los Feliz; north on the boundary of Rancho Los Feliz and its north extension in a direct line to the intersection of Riverside Drive and Main Street; northwest on Main Street to Alameda Avenue; southwest on Alameda Avenue to California Street; northwest on California Street to Oak Street; southwest on Oak Street to Hollywood Way; northwest on Hollywood Way to Verdugo Avenue; southwest on Verdugo Avenue to the west Burbank city limits; northwest, west, north, east and north on the Burbank city limits to the Southern Pacific Railroad (near Vanowen Street); southeast on the Southern Pacific Railroad to Buena Vista Street; north on Buena Vista Street to Kenmere Avenue; east on Kenmere Avenue to Lincoln Street; north on Lincoln Street and its north extension to the Southern Pacific Railroad; northwest on the Southern Pacific Railroad to the west extension of Winona Avenue; east on the west extension of Winona Avenue and Winona Avenue to Glenoaks Boulevard; southeast on Glenoaks Boulevard to Scott Road; southeast on Scott Road to East Walnut Avenue; southwest on East Walnut Avenue to the Golden State Freeway (Interstate 5); southeast on the Golden State Freeway to Burbank Boulevard; northeast on Burbank Boulevard to San Fernando Boulevard; southeast on San Fernando Boulevard to Grinnell Drive; northeast on Grinnell Drive to Glenoaks Boulevard; northwest on Glenoaks Boulevard to Grinnell Drive; northeast on Grinnell Drive to 6th Street; northwest on 6th Street to the point of beginning.

30244. The 44th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Avalon Boulevard and Artesia Boulevard; east on Artesia Boulevard to the west Long Beach city limits; north on the Long Beach city limits to Greenleaf Boulevard; west on Greenleaf Boulevard to Chester Avenue; north on Chester Avenue to Bennett Street; east on Bennett Street to Pearl Avenue; north on Pearl Avenue to Caldwell Street; east on Caldwell Street to Mayo Avenue; south on Mayo Avenue to Caldwell Street; east on Caldwell Street to Pauline Street; east on Pauline Street to Caldwell Street; east on Caldwell Street and its east extension to the Los Angeles River; south on the Los Angeles River to the west extension of Harding Street; east on the west extension of Harding Street and Harding Street to Atlantic

Avenue; south on Atlantic Avenue to 59th Street; east on 59th Street to Lewis Avenue; north on Lewis Avenue to 65th Street; east on 65th Street to Walnut Avenue; south on Walnut Avenue to 64th Street; east on 64th Street to Cherry Avenue; north on Cherry Avenue to the north Long Beach city limits; east, south, east and south on the Long Beach city limits to South Street; east on South Street to Bellflower Boulevard; south on Bellflower Boulevard to Del Amo Boulevard; west on Del Amo, Boulevard to the north extension of Hayter Avenue; south on the north extension of Hayter Avenue and Hayter Avenue to Arbor Road; west on Arbor Road to Downey Avenue; northwest on Downey Avenue to Del Amo Boulevard; west on Del Amo Boulevard to Obispo Avenue; south on Obispo Avenue to Carson Street; west on Carson Street to Orange Avenue; north on Orange Avenue to San Antonio Drive; southwest on San Antonio Drive to Linden Avenue; north on Linden Avenue to Freeland Street; west on Freeland Street to 44th Street; southwest on 44th Street and its southwest extension to the north extension of Virginia Vista Court; south on the north extension of Virginia Vista Court and Virginia Vista Court to Del Mar Avenue; southeast on Del Mar Avenue to the west extension of Bixby Road; east on the west extension of Bixby Road and Bixby Road to Weston Place; north on Weston Place to Roosevelt Road; east on Roosevelt Road to Long Beach Boulevard; south on Long Beach Boulevard to East Wardlow Road; east on East Wardlow Road to California Avenue; south on California Avenue to Willow Street; east on Willow Street to the San Diego Freeway (Interstate 405); east on the San Diego Freeway to Clark Avenue; south on Clark Avenue to the Pacific Coast Highway (State Highway 1); southeast on the Pacific Coast Highway to Santiago Avenue; south on Santiago Avenue to 7th Street; west on 7th Street to Pine Avenue; south on Pine Avenue to the east extension of Seaside Boulevard; west on the east extension of Seaside Boulevard and Seaside Boulevard to Magnolia Avenue; north on Magnolia Avenue to Broadway; west on Broadway and its west extension to the Los Angeles River; north on the Los Angeles River to Anaheim Street; west on Anaheim Street to the west Long Beach city limits; northwest on the Long Beach city limits to the Pacific Coast Highway (State Highway 1); northwest and west on the Pacific Coast Highway to the Dominguez Channel; northeast on the Dominguez Channel to the east Los Angeles city limits; northwest, west, northeast and west on the Los Angeles city limits to Avalon Boulevard; north on Avalon Boulevard to the point of beginning.

30245. The 45th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the Long Beach Freeway (State Highway 7) and the west Monterey Park city limits; north, east, north and east on the Monterey Park city limits to Atlantic Boulevard; north on Atlantic Boulevard to Woodward Avenue; northeast on Woodward Avenue to Garfield Avenue; southeast on Garfield Avenue to Main Street; northeast on Main Street to Las Tunas Drive; east on Las Tunas Drive to San Gabriel Boulevard; south on San Gabriel Boulevard to Rubio Wash; southeast on Rubio Wash to the east San Gabriel city limits; southeast on the San Gabriel city limits to the north Rosemead city limits; southeast and south on the Rosemead city limits to the San Bernardino Freeway (Interstate 10); east and southeast on the San Bernardino Freeway to the north extension of Towneway Drive; south on the north extension of Towneway Drive and Towneway Drive to Asher Street; southeast on Asher Street to Rio Hondo Parkway; south on Rio Hondo Parkway to Havenpark Avenue; south on Havenpark Avenue to Bodger Street; east on Bodger Street to Central Avenue; south on Central Avenue to Garvey Avenue; east on Garvey Avenue to Valley Boulevard; southeast on Valley Boulevard to 2nd Avenue; southwest on 2nd Avenue and its southwest extension to Proctor Avenue; southeast on Proctor Avenue to 5th Avenue; southwest on 5th Avenue to Don Julian Street; southeast on Don Julian Street to Turnbull Canyon Road; southwest on Turnbull Canyon Road to the Union Pacific Railroad; southeast on the Union Pacific Railroad to Azusa Avenue; north on Azusa Avenue to Anaheim-Puente Road; north on Anaheim-Puente Road and its north extension to the north Industry city limits; southeast on the Industry city limits to Azusa Avenue; northeast on Azusa Avenue to the south West Covina city limits; east, south and east on the West Covina city limits and its east extension to the west Walnut city limits; meandering south, east and south on the Walnut city limits to Water Street; south on Water Street to the Pomona Freeway (State Highway 60); west on the Pomona Freeway to Azusa Avenue; north on Azusa Avenue to the south Industry city limits; west on the Industry city limits to the north extension of Fieldgate Avenue; south on the north extension of Fieldgate Avenue and Fieldgate Avenue to Halliburton Road; west on Halliburton Road to Hacienda Boulevard; northeast on Hacienda Boulevard to the Pomona Freeway (State Highway 60); northwest on the Pomona Freeway to Doverfield Avenue; northeast on Doverfield Avenue to the south Industry city limits; northwest on the Industry city limits to 6th Avenue; north on 6th Avenue to the Union Pacific Railroad (near Salt Lake Avenue); west on the Union Pacific Railroad to Workman Mill Road; north on Workman Mill Road and its north extension to the Pomona

Freeway (State Highway 60); northwest on the Pomona Freeway to the San Gabriel River Freeway (State Highway 605); southwest on the San Gabriel River Freeway to Peck Road; north on Peck Road to the San Gabriel River; southwest on the San Gabriel River to the southeast extension of Siphon Road; northwest on the southeast extension of Siphon Road and Siphon Road to Durfee Avenue; northwest on Durfee Avenue to San Gabriel Boulevard; northwest on San Gabriel Boulevard to the north Montebello city limits as it existed on April 30, 1961; meandering west on the Montebello city limits as it existed on April 30, 1961 to Pomona Boulevard; west on Pomona Boulevard to Atlantic Boulevard; southwest on Atlantic Boulevard to Whittier Boulevard; northwest on Whittier Boulevard to the Long Beach Freeway (State Highway 7); north on the Long Beach Freeway to the point of beginning.

30246. The 46th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the west extension of El Segundo Boulevard; east on the west extension of El Segundo Boulevard and El Segundo Boulevard to Sheldon Street; north on Sheldon Street to Pine Avenue; east on Pine Avenue and its extension to Sepulveda Boulevard; north on Sepulveda Boulevard to Century Boulevard; east on Century Boulevard to Aviation Boulevard; south on Aviation Boulevard to Aviation Place; south on Aviation Place to Robinson Street; west on Robinson Street to Aviation Boulevard; south on Aviation Boulevard to the north extension of Aviation Way; south on the north extension of Aviation Way and Aviation Way to Artesia Boulevard; west on Artesia Boulevard to the west Hermosa Beach city limits; southeast on the Hermosa Beach city limits to Prospect Avenue; southeast on Prospect Avenue to Anita Street; northeast on Anita Street to Flagler Lane; south on Flagler Lane to the north Torrance city limits; east on the Torrance city limits to 190th Street; east on 190th Street to Crenshaw Boulevard; south on Crenshaw Boulevard to Carson Street; east on Carson Street to Arlington Avenue; south on Arlington Avenue to Plaza Del Amo; southeast on Plaza Del Amo to Cabrillo Avenue; southwest on Cabrillo Avenue to Sepulveda Boulevard; southeast on Sepulveda Boulevard to the east Torrance city limits; south on the Torrance city limits to the east Lomita city limits; south on the Lomita city limits to Lomita Boulevard; northwest on Lomita Boulevard to Crenshaw Boulevard; south on Crenshaw Boulevard to Atkinson Avenue; south on Atkinson Avenue to Pacific Coast Highway (State Highway 1); east on the Pacific Coast Highway to the west Los Angeles city limits; south on the Los

Angeles city limits to Cumbre Drive; east on Cumbre Drive to Mantis Avenue; south on Mantis Avenue to Morse Drive; southeast on Morse Drive to Western Avenue; southwest on Western Avenue and its southwest extension to the Pacific Ocean; northwest on the Pacific Ocean to the point of beginning.

30247. The 47th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the north Arcadia city limits and southern boundary of the Angeles National Forest; west on the Arcadia city limits to the east Sierra Madre city limits; south, west, south and west on the Sierra Madre city limits to Michillinda Avenue; south on Michillinda Avenue to Huntington Drive; southwest on Huntington Drive to the east San Marino city limits; north, west, south and west on the San Marino city limits to the west Pasadena city limits; northwest, west, north and west on the Pasadena city limits to Avenue 64; north and northwest on Avenue 64 to La Loma Road; northwest on La Loma Road to Juniper Drive; northeast on Juniper Drive to Cherry Drive; west on Cherry Drive to Sequoia Drive; north on Sequoia Drive to Glennullen Drive; east on Glennullen Drive to Sequoia Drive; northwest on Sequoia Drive to Glennover Drive; northeast on Glennover Drive to Avenue 64; north on Avenue 64 to Colorado Boulevard; east on Colorado Boulevard to Los Robles Avenue; north on Los Robles Avenue to Orange Grove Boulevard; east on Orange Grove Boulevard to Lake Avenue; north on Lake Avenue to Loma Alta Drive; east on the east extension of Loma Alta Drive to Las Flores Canyon; northeast on Las Flores Canyon to the south boundary of the Angeles National Forest; west on the boundary of Angeles National Forest to the the east Pasadena city limits; southeast on the Pasadena city limits to Crestford Drive; west and south on Crestford Drive to Florecita Way; southwest on Florecita Way to the east Pasadena city limits; south on the Pasadena city limits to Windsor Avenue (near Mountain View Street); south on Windsor Avenue to the east Pasadena city limits (near Kent Street); generally north, southwest and east on the Pasadena city limits to Vista Laguna Terrace; west and south on Vista Laguna Terrace to La Canada Verdugo Road; west on La Canada Verdugo Road to the north extension of the Arroyo Seco; south on the north extension of the Arroyo Seco and Arroyo Seco to Seco Street; southwest on Seco Street to Linda Vista Avenue; northwest on Linda Vista Avenue to Glen Oaks Boulevard; south and northwest on Glen Oaks Boulevard to Woodcliffe Road; southwest and south on Woodcliffe Road to Patrician Way; south on Patrician Way to the east extension of the south Glendale city limits; west on the east extension

of the south Glendale city limits to the east Glendale city limits; generally northwest and north on the Glendale city limits to Foothill Boulevard (State Highway 118); northwest on Foothill Boulevard to Lauderdale Avenue; north on Lauderdale Avenue to Santa Carlotta Street; southeast on Santa Carlotta Street to Orange Avenue; east on Orange Avenue New York Avenue; to the east Glendale city limits; north on the Glendale city limits to a southern boundary of the Angeles National Forest (near Dunsmore Canyon); west on a southern boundary of the Angeles National Forest to the west boundary of Section 16 of T. 2 N., R. 13 W; north on the west boundary of Section 16 of T. 2 N., R. 13 W. to the the north boundary of Section 16 of T. 2 N., R. 13 W; east on the north boundary of Section 16 of T. 2 N., R. 13 W. and continuing east on north section lines to the west boundary of Section 13 of T. 2 N., R. 9 W.; south on the west boundary of Sections 13, 24, 25 and 36 of T. 2 N., R. 9 W. to the west boundary of Section 1 of T. 1 N., R. 9 W.; south on the west boundary of Sections 1, 12, 13 and 24 of T. 1 N., R. 9 W. to the south boundary of Section 24 of T. 1 N., R. 9 W.; east on the south boundary of Section 24 of T. 1 N., R. 9 W. to the south boundary of the Angeles National Forest; east, north and east on the boundary of the Angeles National Forest to the San Bernardino-Los Angeles county line; southwest on the San Bernardino-Los Angeles county line to Foothill Boulevard; west on Foothill Boulevard to Mills Avenue; north on Mills Avenue to the north boundary of the California School of Technology; west on the north boundary of the California School of Technology and its west extension to the north extension of Harvard Avenue; south on the north extension of Harvard Avenue to Foothill Boulevard; west on Foothill Boulevard to Towne Avenue; north on Towne Avenue to Base Line Road; west on Base Line Road to College Way; southwest on College Way to Williams Avenue; south on Williams Avenue to the north Pomona city limits; northwest and south on the Pomona city limits to Bonita Avenue; northwest and west on Bonita Avenue to the west La Verne city limits (at Puddingstone Channel); meandering southerly on the La Verne city limits to Puddingstone Drive; meandering west on Puddingstone Drive to San Dimas Avenue; north on San Dimas Avenue to West Covina Boulevard; west on West Covina Boulevard to Amelia Avenue; south on Amelia Avenue to Cypress Avenue; west on Cypress Avenue to Valley Center Avenue; south on Valley Center Avenue and its southern extension to Walnut Creek; generally southwest on Walnut Creek to the south San Dimas city limits; east and southwest on the San Dimas city limits to Covina Hills Road; northwest, west, northwest and west on Covina Hills Road to Oak Canyon Road; south and southeast on Oak Canyon Road

to the west boundary of the California Baptist Theological Seminary; south on the west boundary of the California Baptist Theological Seminary and its southern extension to Holt Avenue (near Craiglee Circle); southwest on Holt Avenue to the San Bernardino Freeway (Interstate 10); west on the San Bernardino Freeway to the west West Covina city limits; generally northeast on the West Covina city limits to Root Street; east on Root Street and its continuance as Puente Avenue to Azusa Avenue; north on Azusa Avenue to the West Covina city limits; east on the West Covina city limits to Armel Drive; south on Armel Drive to Rowland Avenue; east on Rowland Avenue to the south Covina city limits (near Calvados Avenue); south, east, south and east on the Covina city limits to Barranca Avenue; north on Barranca Avenue to Badillo Street; east on Badillo Street to Grand Avenue; north on Grand Avenue to Wingate Street; east on Wingate Street to Glendora Avenue; north on Glendora Avenue to Covina Boulevard; east on Covina Boulevard to Valley Center Avenue; north on Valley Center Avenue to Arrow Highway; west on Arrow Highway to Sunflower Avenue; north on Sunflower Avenue and its north extension to Lorraine Avenue; north on Lorraine Avenue to Foothill Boulevard; west on Foothill Boulevard to Grand Avenue; north on Grand Avenue to Sierra Madre Avenue; west on Sierra Madre Avenue to Yucca Ridge Road; north on Yucca Ridge Road and its north extension in a direct line to Glendora Ridge Motorway; northeast on Glendora Ridge Motorway to a point which lies in a direct line east of the eastern extension of the northernmost Azusa city limits; directly west on said line to the east Duarte city limits; north and west on the Duarte city limits to the north Monrovia city limits; west and south on Monrovia city limits to the north Arcadia city limits; west on Arcadia city limits to the point of beginning.

30248. The 48th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the northeast Vernon city limits and the Long Beach Freeway (State Highway 7); northwest and north on the Vernon city limits to the south Los Angeles city limits; east and north on the east Los Angeles city limits to Blanchard Street; east on Blanchard Street to Geraghty Avenue; north on Geraghty Avenue to Dobinson Street; southeast and east on Dobinson Street to Hazard Avenue; south on Hazard Avenue to Floral Drive; east on Floral Drive to Brannick Avenue; north on Brannick Avenue to Blanchard Street; east on Blanchard Street to Eastern Avenue; north, west and north on Eastern Avenue to the San Bernardino Freeway (Interstate 10); west on the San Bernardino Freeway to Soto Street; southwest on Soto Street

to City View Avenue; northwest on City View Avenue to St. Louis Street; northeast on St. Louis Street to City View Avenue; northwest on City View Avenue to State Street; northeast on State Street to the San Bernardino Freeway (Interstate 10); west on the San Benardino Freeway to the Golden State Freeway (Interstate 5); north on the Golden State Freeway to Mission Road; northeast on Mission Road to Daly Street; north on Daly Street to Pasadena Avenue; northeast on Pasadena Avenue to Figueroa Street; southwest on Figueroa Street to Marmion Way; north on Marmion Way to Mt. Washington Avenue; northwest on Mt. Washington Avenue to Mt. Washington Drive; northwest on Mt. Washington Drive to San Rafael Avenue; northeast on San Rafael Avenue to Seaview Avenue; northwest on Seaview Avenue to Danforth Drive; southwest on Danforth Drive and its southwest extension to Marchena Drive; northwest on Marchena Drive to Primavera Avenue; east, north and northwest on Primavera Avenue to Division Street; northeast on Division Street to Cleland Avenue; northeast on Cleland Avenue to El Paso Drive; southeast on El Paso Drive to Avenue 50; north on Avenue 50 to Baltimore Street; east on Baltimore Street to Avenue 51; north on Avenue 51 to Silverwood Drive; northwest on Silverwood Drive to Silver Oak Terrace; east and northeast on Silver Oak Terrace to Oak Grove Drive; northwest on Oak Grove Drive to Oak Grove Place; west on Oak Grove Place to Townsend Avenue; north on Townsend Avenue to Yosemite Drive; east on Yosemite Drive to Townsend Avenue; north on Townsend Avenue to Colorado Boulevard; east on Colorado Boulevard to Eagle Vista Drive; northeast on Eagle Vista Drive to Hillmont Avenue; northeast on Hillmont Avenue and its northeast extension to the south Glendale city limits; east on the Glendale city limits and its east extension to Patrician Way; north on Patrician Way to Woodcliffe Road; north and northeast on Woodcliffe Road to Glen Oaks Boulevard; meandering southeast and north on Glen Oaks Boulevard to Linda Vista Avenue; southeast on Linda Vista Avenue to Seco Street; northeast on Seco Street to the Arroyo Seco; north on the Arroyo Seco and its north extension to La Canada Verdugo Road; east and northeast on La Canada Verdugo Road to Vista Laguna Terrace; north and east on Vista Laguna Terrace to the east Pasadena city limits; east, northeast and south on the Pasadena city limits to Windsor Avenue; north on Windsor Avenue to the East Pasadena city limits (near Ventura Street); northeast on the east Pasadena city limits to Florecita Way; east on Florecita Way to Crestford Drive; north and northeast on Crestford Drive to the east Pasadena city limits; northwest on the Pasadena city limits to the south boundary of the Angeles National Forest; east on the

boundary of the Angeles National Forest to Las Flores Canyon; southwest on Las Flores Canyon to the east extension of Loma Alta Drive to Lake Avenue; south on Lake Avenue to Orange Grove Boulevard; west on Orange Grove Boulevard to Los Robles Avenue; south on Los Robles Avenue to Colorado Boulevard; west on Colorado Boulevard to the west Pasadena city limits; south on the Pasadena city limits to the northeast extension of Poppypeak Drive; southwest on the northeast extension of Poppypeak Drive and Poppypeak Drive to Figueroa Street; southeast and southwest on Figueroa Street to the west extension of Marmion Way; east and southeast on the west extension of Marmion Way and Marmion Way to Arroyo Drive; east on Arroyo Drive to the west South Pasadena city limits; south and east on the South Pasadena city limits to Alhambra Road; east on Alhambra Road to Atlantic Boulevard; south on Atlantic Boulevard to the north Monterey Park city limits; west, south, west and south on the Monterey Park city limits to the Long Beach Freeway (State Highway 7) (at Floral Drive); south on the Long Beach Freeway to Whittier Boulevard; southeast on Whittier Boulevard to Atlantic Boulevard; south on Atlantic Boulevard to the Union Pacific Railroad; west on the Union Pacific Railroad to the Long Beach Freeway (State Highway 7); south on the Long Beach Freeway to the point of beginning.

30249. The 49th Assembly District shall include those portions of San Bernardino, Riverside and Los Angeles Counties bounded and described as follows:

Beginning at the intersection of the San Bernardino-Los Angeles county line and Palo Verde Street; east on Palo Verde Street to Carrillo Avenue; south on Carrillo to San Bernardino Street; east on San Bernardino Street to North Central Avenue; south on North Central Avenue to Orchard Street; east on Orchard Street to Benson Avenue; south on Benson Avenue to Holt Boulevard; east on Holt Boulevard to Vine Avenue; south on Vine Avenue to Main Street; east on Main Street to Sultana Avenue; north on Sultana Avenue to "G" Street; east on "G" Street to Vineyard Avenue; north on Vineyard Avenue to the San Bernardino Freeway (Interstate 10); east on the San Bernardino Freeway to Locust Avenue; south on Locust Avenue to Armstrong Road; southwest on Armstrong Road to the Riverside-San Bernardino county line; west and south on the Riverside-San Bernardino county line to Riverside Avenue; west on Riverside Avenue to Palmetto Avenue; north on Palmetto Avenue to Philadelphia Street; west on Philadelphia Street to the San Bernardino-Los Angeles county line; north on the San Bernardino-Los Angeles county line to the point of beginning.

Beginning at the intersection of the Riverside-San

Bernardino county line and the Santa Ana River; southwest on the Santa Ana River to the Union Pacific Railroad (near Jurupa Hills Country Club); southeast on the Union Pacific Railroad to Mountain View Avenue; west on Mountain View Avenue to Hillside Avenue; south and southwest on Hillside Avenue to Arlington Avenue; west on Arlington Avenue to Van Buren Boulevard; south and southeast on Van Buren Boulevard to California Avenue; southwest on California Avenue to Harrison Street; south and southeast on Harrison Street to Magnolia Avenue; southwest on Magnolia Avenue to Hole Avenue; west on Hole Avenue to La Sierra Avenue; northwest on La Sierra Avenue to Cypress Avenue; southwest on Cypress Avenue and its southwest extension to its intersection with the east Norco city limits; south on the Norco city limits to the north Corona city limits; east, south and southeast on the Corona city limits to Magnolia Avenue; southwest on Magnolia Avenue to Temescal Street; southeast on Temescal Street to Magnolia Avenue; southwest on Magnolia Avenue to Circle City Drive; northwest and west on Circle City Drive to Grand Boulevard; southwest, west and northwest on Grand Boulevard to 10th Street; west on 10th Street to Smith Avenue; northwest on Smith Avenue to the Riverside Freeway (State Highway 91); west on the Riverside Freeway to the Corona Freeway (State Highway 71); west on the Corona Freeway to the Santa Ana River; meandering southwest on the Santa Ana River to the Riverside-Orange county line; northwest on the Riverside-Orange county line to the Riverside-San Bernardino county line; meandering north and east on the Riverside-San Bernardino county line to the point of beginning.

Beginning at the intersection of the San Bernardino-Los Angeles county line and Foothill Boulevard; west on Foothill Boulevard to Mills Avenue; north on Mills Avenue to the north boundary of the California School of Technology; west on the north boundary of the California School of Technology and its west extension to the north extension of Harvard Avenue; south on the north extension of Harvard Avenue to Foothill Boulevard; west on Foothill Boulevard to Towne Avenue; north on Towne Avenue to Base Line Road; west on Base Line Road to College Way; southwest on College Way to Williams Avenue; south on Williams Avenue to the north Pomona city limits; northwest and south on the Pomona city limits to Bonita Avenue; northwest and west on Bonita Avenue to the west La Verne city limits (at Puddingstone Channel); meandering southerly on the La Verne city limits to Puddingstone Drive; meandering west on Puddingstone Drive to San Dimas Avenue; north on San Dimas Avenue to West Covina Boulevard; west on West Covina Boulevard to Amelia Avenue; south on Amelia Avenue to Cypress Avenue;

west on Cypress Avenue to Valley Center Avenue; south on Valley Center Avenue and its southern extension to Walnut Creek; generally southwest on Walnut Creek to the south San Dimas city limits; east and southwest on the San Dimas city limits to Covina Hills Road; northwest, west, northwest and west on Covina Hills Road to Oak Canyon Road; south and southeast on Oak Canyon Road to the west boundary of the California Baptist Theological Seminary; south on the west boundary of the California Baptist Theological Seminary and its south extension to Holt Avenue (near Craiglee Circle); southwest on Holt Avenue to the San Bernardino Freeway (U.S. Highway 60); west on the San Bernardino Freeway to the west West Covina city limits; southwest and southeast on the West Covina city limits to Yarnell Street; southeast on Yarnell Street to Sunkist Avenue; southwest on Sunkist Avenue to Glenmere Street; southeast on Glenmere Street to Orange Avenue; southwest on Orange Avenue to Francisquito Avenue; southeast on Francisquito Avenue to the south West Covina city limits; northeast and southeast on the West Covina city limits to Hacienda Boulevard; southwest on Hacienda Boulevard to Francisquito Avenue; east on Francisquito Avenue to Walnut Avenue; south on Walnut Avenue to Echelon Avenue; south on Echelon Avenue to Amar Road; east on Amar Road to Azusa Avenue; south on Azusa Avenue to the south West Covina city limits; east, south and east on the West Covina city limits and its east extension to the west Walnut city limits; south, northeast, generally south and northeast on the Walnut city limits to the west Pomona city limits; northeast on the Pomona city limits to the south boundary of the California State Polytechnic College; northeast and southeast on the south boundary of the California State Polytechnic College and its southeast extension to San Jose Creek; northeast on San Jose Creek to the northwest Pomona city limits; northeast and northwest on the Pomona city limits to the San Bernardino Freeway (U.S. Highway 60); generally northeast on the San Bernardino Freeway to Towne Avenue; south on Towne Avenue to Kingsley Avenue; east on Kingsley Avenue to the Los Angeles-San Bernardino county line; northeast on the San Bernardino-Los Angeles county line to the point of beginning.

30250. The 50th Assembly District shall include those portions of Los Angeles and Orange Counties bounded and described as follows:

Beginning at the intersection of the Los Angeles-Orange county line and Whittier Boulevard; west and northwest on Whittier Boulevard to Santa Gertrudes Avenue; south on Santa Gertrudes Avenue to Lambert Road; northwest on Lambert Road to Scott Avenue; north on Scott Avenue to Cullen Street; west on Cullen Street to Cole Road; north on

Cole Road to Whittier Boulevard; northwest on Whittier Boulevard to Catalina Avenue; northeast on Catalina Avenue to Mar Vista Street; northwest on Mar Vista Street to Michigan Avenue; southwest on Michigan Avenue to La Cuarta Street; northwest on La Cuarta Street to Euclid Avenue; north and northeast on Euclid Avenue to Mar Vista Street; northwest and west on Mar Vista Street to Painter Avenue; north on Painter Avenue to Bailey Street; east on Bailey Street to Alta Avenue; north on Alta Avenue to Broadway; west on Broadway to Alta Avenue; north on Alta Drive to Beverly Boulevard; east on Beverly Boulevard to the east Whittier city limits; north, west and northwest on the Whittier city limits to Workman Mill Road; north on Workman Mill Road to the south boundary of Rose Hills Memorial Park; northwest on the south boundary of Rose Hills Memorial Park and its northwest extension to the San Gabriel River Freeway (Interstate 605); northeast on the San Gabriel River Freeway to the southwest Industry city limits; northwest, northeast and northwest on the Industry city limits and its northwest extension to the San Gabriel River; northeast on the San Gabriel River to Peck Road; south on Peck Road to the San Gabriel River Freeway (Interstate 605); northeast on the San Gabriel River Freeway to the Pomona Freeway (State Highway 60); southeast on the Pomona Freeway to the north extension of Workman Mill Road; south on the north extension of Workman Mill Road and Workman Mill Road to the Union Pacific Railroad; northeast and southeast on the Union Pacific Railroad to 6th Avenue; southwest on 6th Avenue to the south Industry city limits; southeast on the Industry city limits to Doverfield; southwest on Doverfield Avenue to the Pomona Freeway (State Highway 60); southeast on the Pomona Freeway to Hacienda Boulevard; southwest on Hacienda Boulevard to Halliburton Road; east on Halliburton Road to the south extension of Fieldgate Avenue; north on the south extension of Fieldgate Avenue, Fieldgate Avenue and its north extension to the south Industry city limits; southeast on Industry city limits to Azusa Avenue; south on Azusa Avenue to the Pomona Freeway (State Highway 60); east on the Pomona Freeway to Water Street; north on Water Street to the south Walnut city limits; northeast on the Walnut city limits to the west Pomona city limits; northeast, west and northeast on the Pomona city limits to the south boundary of the California State Polytechnic College; northeast and southeast on the south boundary of the California State Polytechnic College and its southeast extension to San Jose Creek; northeast on San Jose Creek to the northwest Pomona city limits (near Hennipen Street); northeast and northwest on the Pomona city limits to the San Bernardino Freeway (Interstate 10); generally

northeast on the San Bernardino Freeway to Towne Avenue; south on Towne Avenue to Kingsley Avenue; east on Kingsley Avenue to the Los Angeles-San Bernardino county line; southwest, west, south, west, southwest, south, east, south, and southeast on the Los Angeles-San Bernardino county line to the Los Angeles-Orange county line; west and south on the Los Angeles-Orange county line to the point of beginning.

Beginning at the intersection of Orange-Los Angeles county line and the Orange Freeway (State Highway 57); south on the Orange Freeway to Associated Road; south on Associated Road to Bastanchury Road; northwest on Bastanchury Road to Brea Boulevard; north on Brea Boulevard to Rolling Hills Drive; west on Rolling Hills Drive and its west extension to Brea Creek; north on Brea Creek to Puente Street; north on Puente Street to north Fullerton city limits, west, south, west, north, west, north, west, south, west and east on the Fullerton city limits to Imperial Highway (at Harbor Boulevard); west on Imperial Highway to Euclid Street; meandering south on Euclid Street to Bastanchury Road; southwest on Bastanchury Road to Malvern Avenue; west on Malvern Avenue to Gilbert Street; south on Gilbert Street to the Atchison, Topeka and Santa Fe Railroad; northwest on the Atchison, Topeka and Santa Fe Railroad to Dale Street; south on Dale Street to Orangethorpe Avenue; west on Orangethorpe Avenue to Western Avenue; north on Western Avenue to 8th Street; west on 8th Street to Knott Avenue; south on Knott Avenue to Orangethorpe Avenue; west on Orangethorpe Avenue to the west Buena Park city limits; south, west, south, east, south, west, south and west on the Buena Park city limits to Walker Street (near Los Palos Circle); south on Walker Street to Orange Avenue; east on Orange Avenue to Holder Street; south on Holder Street to Ball Road; west on Ball Road to Walker Street; south on Walker Street to the Carbon Creek Channel; west on the Carbon Creek Channel to Bloomfield Street; south on Bloomfield Street to Cerritos Avenue; west on Cerritos Avenue to Los Alamitos Boulevard; north on Los Alamitos Boulevard to the Los Angeles-Orange county line; meandering northeast, north and east on the Los Angeles-Orange county line to the point of beginning.

30251. The 51st Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Atlantic Boulevard and Pomona Boulevard; east on Pomona Boulevard to the north Montebello city limits as it existed on April 30, 1961; east, southeast, northeast and meandering east on the Montebello city limits as it existed on April 30, 1961 to San Gabriel Boulevard; southeast on San Gabriel Boulevard to Durfee

Avenue; southeast on Durfee Avenue to Siphon Road; southeast on Siphon Road and its southeast extension to the San Gabriel River; southwest on the San Gabriel River to the northwest extension of the south Industry city limits; southeast, southwest and southeast on the northwest extension of the south Industry city limits and the Industry city limits to the San Gabriel River Freeway (Interstate 605); southwest on the San Gabriel River Freeway to the northwest extension of the southwest boundary of Rose Hills Memorial Park; southwest on the northwest extension of the southwest boundary of Rose Hills Memorial Park and the southwest boundary of Rose Hills Memorial Park to Workman Mill Road; south on Workman Mill Road to the north Whittier city limits (near Strong Avenue); east and south on the Whittier city limits to Beverly Boulevard; west on Beverly Boulevard to Alta Avenue; south on Alta Avenue to Broadway; east on Broadway to Alta Avenue; south on Alta Avenue to Bailey Street; west on Bailey Street to Painter Avenue; south on Painter Avenue to Mar Vista Street; east and southeast on Mar Vista Street to Euclid Avenue; southwest and south on Euclid Avenue to La Cuarta Street; southeast on La Cuarta Street to Michigan Avenue; northeast on Michigan Avenue to Mar Vista Street; southeast on Mar Vista Street to Catalina Avenue; southwest on Catalina Avenue to Whittier Boulevard; southeast on Whittier Boulevard to Cole Drive; south on Cole Drive to Cullen Street; east on Cullen Street to Scott Avenue; south on Scott Avenue to Lambert Road; northwest on Lambert Road to Colima Road; southwest on Colima Road to Broadway Street; northwest on Broadway Street to Mills Avenue; northeast on Mills Avenue to Mulberry Drive; northwest on Mulberry Drive to the Southern Pacific Railroad; west on the Southern Pacific Railroad to the north Santa Fe Springs city limits; meandering northwest on the Santa Fe Springs city limits to Washington Boulevard; northwest on Washington Boulevard to the San Gabriel River; southwest, southeast and southwest on the San Gabriel River to Telegraph Road; southeast on Telegraph Road to Norwalk Boulevard; south on Norwalk Boulevard to Lakeland Road; west on Lakeland Road and its west extension to the Southern Pacific Railroad (near Milano Avenue); southwest on the Southern Pacific Railroad to the Santa Ana Freeway (Interstate 5); southeast on the Santa Ana Freeway to Pioneer Boulevard; south on Pioneer Boulevard to Imperial Highway; west on Imperial Highway to the San Gabriel River; north on the San Gabriel River to the Santa Ana Freeway (Interstate 5); northeast on the Santa Ana Freeway to the southwest extension of True Avenue; northeast on the southwest extension of True Avenue and True Avenue to Brookpark Road; northwest on Brookpark Road to Sideview

Drive; northeast on Sideview Drive to Cedartree Road; northwest on Cedartree Road to Hasty Avenue; northeast on Hasty Avenue to the north Downey city limits; northwest and southwest on the Downey city limits to the south Bell Gardens city limits; generally southwest, west and north on the Bell Gardens city limits to the Southern Pacific Railroad (near Randolph Street); west on the Southern Pacific Railroad to the east Maywood city limits; north and northwest on the Maywood city limits to Atlantic Boulevard; north and northeast on Atlantic Boulevard to the Long Beach Freeway (State Highway 7); north on the Long Beach Freeway to the Union Pacific Railroad; east on the Union Pacific Railroad to Atlantic Boulevard; northeast on Atlantic Boulevard to the point of beginning.

30252. The 52nd Assembly District shall include that portion of Orange County bounded and described as follows:

Beginning at the intersection of Beach Boulevard (State Highway 39) and Ball Road; east on Ball Road to the Santa Ana Freeway (Interstate 5); northwest on the Santa Ana Freeway to Santa Ana Street; northeast on Santa Ana Street to East Street; northwest on East Street to Lincoln Avenue; northeast and east on Lincoln Avenue to State College Boulevard; north on State College Boulevard to the Riverside Freeway (State Highway 91); east on the Riverside Freeway to the Santa Ana River; east on the Santa Ana River to the Orange-Riverside county line; southeast on the Orange-Riverside county line to Black Star Canyon Road; meandering southwest on Black Star Canyon Road to Santiago Canyon Road; northwest and west on Santiago Canyon Road to Santiago Boulevard; northwest on Santiago Boulevard to the Santiago Creek; southwest on the Santiago Creek to Prospect Street; south on Prospect Street to Walnut Avenue; west on Walnut Avenue to Prospect Street; south on Prospect Street to Spring Street; east on Spring Street to Esplanade Street; south on Esplanade Street to La Veta Avenue; west on La Veta Avenue to the Newport Freeway (State Highway 55); south on the Newport Freeway to Fairhaven Avenue; west on Fairhaven Avenue to the Atchison, Topeka and Santa Fe Railroad (near Lincoln Street); north on the Atchison, Topeka and Santa Fe Railroad to the Santiago Creek; southwest on Santiago Creek to the Santa Ana Freeway; northwest on the Santa Ana Freeway to the Santa Ana River; southwest on the Santa Ana River to Santiago Creek; east on Santiago Creek; east on Santiago Creek to a north extension of Baker Street; south on the north extension of Baker Street and Baker Street to 18th Street; west on 18th Street to Bristol Street; south on Bristol Street to 17th Street; west on 17th Street to the Santa Ana River; southwest on the Santa Ana River to the Pacific Electric Railroad; northwest on the Pacific Electric Railroad to the east

extension of Washington Avenue; east on the east extension of Washington Avenue to the Santa Ana city limits (at Clinton Street); north and generally west on the Santa Ana city limits to Westminster Avenue (at Euclid Street); west on Westminster Avenue to Kerry Street; south on Kerry Street to Oasis Avenue; west on Oasis Avenue to Magnolia Street; north on Magnolia Street to Trask Avenue; west on Trask Avenue to the Garden Grove Freeway (State Highway 22); northwest on the Garden Grove Freeway to Monroe Street; north on Monroe Street to Garden Grove Boulevard; west on Garden Grove Boulevard to Hoover Street; north on Hoover Street to Chapman Avenue; east on Chapman Avenue to Dale Avenue; south on Dale Avenue to Lampson Avenue; east on Lampson Avenue to Magnolia Avenue; north on Magnolia Avenue to Orangewood Avenue; east on Orangewood Avenue to Gilbert Street; north on Gilbert Streeet to Katella Avenue; east on Katella Avenue to the west Anaheim city limits (near Jean Street); north on the Anaheim city limits to the Southern Pacific Railroad, west on the Southern Pacific Railroad to Gilbert Street; north on Gilbert Street to Cerritos Avenue; west on Cerritos Avenue to the east Stanton city limits; south and west on the Stanton city limits and its west extension to Magnolia Street; south on Magnolia Street to Katella Avenue; west on Katella Avenue to Dale Avenue; north on Dale Avenue to Cerritos Avenue; west on Cerritos Avenue to Beach Boulevard; north on Beach Boulevard to the point of beginning.

30253. The 53rd Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Melrose Avenue and Western Avenue; east on Melrose Avenue to Vermont Avenue; south on Vermont Avenue to Beverly Boulevard; east on Beverly Boulevard to Temple Street; southeast on Temple Street to Occidental Boulevard; southwest on Occidental Boulevard to Beverly Boulevard; northwest on Beverly Boulevard to Occidental Boulevard; southwest on Occidental Boulevard to 3rd Street; northwest on 3rd Street to Hoover Street; south on Hoover Street to 6th Street; southeast on 6th Street to Benton Way; southwest on Benton Way to Hoover Street; south on Hoover Street to 7th Street; southeast on 7th Street to Bonnie Brae Street; southwest on Bonnie Brae Street to 9th Street; southeast on 9th Street to Figueroa Street; southwest on Figueroa Street to Olympic Boulevard; southeast on Olympic Boulevard to Hill Street; northeast on Hill Street to Ninth Street; southeast on Ninth Street to Olympic Boulevard; southeast on Olympic Boulevard to Alameda Street; south on Alameda Street to the north Vernon city limits; east on the Vernon city limits to Soto

Street; south on Soto Street to the north Huntington Park city limits; west, north, west, south and west on the Huntington Park city limits to Slauson Avenue; west on Slauson Avenue to Holmes Avenue; south on Holmes Avenue to 60th Street; west on 60th Street to the Southern Pacific Railroad (near South Avenue); south on the Southern Pacific Railroad to 65th Street; west on 65th Street to Converse Avenue; south on Converse Avenue to Florence Avenue; west on Florence Avenue to McKinley Avenue; south on McKinley Avenue to 76th Street; west on 76th Street to Avalon Boulevard; south on Avalon Boulevard to 79th Street; west on 79th Street to San Pedro Street; north on San Pedro Street to 79th Street; west on 79th Street to Hoover Street; north on Hoover Street to Florence Avenue; west on Florence Avenue to Normandie Avenue; north on Normandie Avenue to Vernon Avenue; east on Vernon Avenue to Vermont Avenue; north on Vermont Avenue to San Marino Street; west on San Marino Street to Catalina Street; north on Catalina Street to Wilshire Boulevard; west on Wilshire Boulevard to Western Avenue; north on Western Avenue to the point of beginning.

30254. The 54th Assembly District shall include that portion of Los Angeles County bounded and described as follows.

Beginning at the intersection of the north Arcadia city limits and the west Monrovia city limits; north and east on the Monrovia city limits to the north Duarte city limits; east and south on the Duarte city limits to the north Azusa city limits; east on the Azusa city limits and its eastern extension to Glendora Ridge Motorway; generally southwest on Glendora Ridge Motorway to the north extension of Yucca Ridge Road; south on the north extension of Yucca Ridge Road and Yucca Ridge Road in a direct line to Sierra Madre Avenue; east on Sierra Madre Avenue to Grand Avenue; south on Grand Avenue to Foothill Boulevard; east on Foothill Boulevard to Lorraine Avenue; south on Lorraine Avenue to the north extension of Sunflower Avenue; south on the north extension of Sunflower Avenue and Sunflower Avenue to Arrow Highway; east on Arrow Highway to Valley Center Avenue; south on Valley Center Avenue to Covina Boulevard; west on Covina Boulevard to Glendora Avenue; south on Glendora Avenue to Wingate Street; west on Wingate Street to Grand Avenue; south on Grand Avenue to Badillo Street; west on Badillo Street to Barranca Avenue; south on Barranca Avenue to the south Covina city limits; west, north, west and north on the Covina city limits to Rowland Avenue; west on Rowland Avenue to Armel Drive; north on Armel Drive to the west Covina city limits; north and west on the Covina city limits to Azusa Avenue (State Highway 39); north on Azusa Avenue to San Dimas Wash; east on San Dimas Wash to Hollenbeck

Avenue; south on Hollenbeck Avenue to Covina Boulevard; east on Covina Boulevard to Barranca Avenue; north on Barranca Avenue to Big Dalton Wash; northeast on Big Dalton Wash to the Foothill Freeway (Interstate 210); southeast on the Foothill Freeway to Glendora Avenue; north on Glendora Avenue to Mauna Loa Avenue; west on Mauna Loa Avenue to Barranca Avenue; north on Barranca Avenue to Alosta Avenue (U.S. Highway 66); west and northwest on Alosta Avenue to Foothill Boulevard (U.S. Highway 66); west on Foothill Boulevard to the east Irwindale city limits; north, west and south on the Irwindale city limits to Huntington Drive (U.S. Highway 66); northwest on Huntington Drive to Fish Canyon Road; north on Fish Canyon Road to Royal Oaks Drive; west on Royal Oaks Drive to Mt. Olive Drive; north on Mt. Olive Drive to the north Duarte city limits; west, south and west on the Duarte city limits to Huntington Drive; west on Huntington Drive to Shamrock Avenue; north on Shamrock Avenue to Lime Avenue; west on Lime Avenue to Ivy Avenue; south on Ivy Avenue to Colorado Boulevard; west on Colorado Boulevard to Magnolia Avenue; south on Magnolia Avenue to Duarte Road; east on Duarte Road to Peck Road; south on Peck Road to the north Monrovia city limits (near Live Oak Avenue); east, south and west on the Monrovia city limits to Peck Road; southwest on Peck Road to the north El Monte city limits; southwest on the El Monte city limits to the Rio Hondo Channel; southwest on the Rio Hondo Channel to Lower Azusa Road; west on Lower Azusa Road to El Monte Avenue; north on El Monte Avenue to Olive Street; west on Olive Street to Halifax Road; south on Halifax Road to Miloann Street; west on Miloann Street to Hallowell Avenue; north on Hallowell Avenue to Freer Street; west on Freer Street to Arden Drive; south on Arden Drive to La Rosa Drive; west on La Rosa Drive to Baldwin Avenue; south on Baldwin Avenue to Lower Azusa Road; west on Lower Azusa Road to Temple City Boulevard; south on Temple City Boulevard to the north Rosemead city limits; south, west, north and northwest on the Rosemead city limits to the east San Gabriel city limits; northwest on the San Gabriel city limits to Rubio Wash (near Del Rio Avenue); northwest on Rubio Wash to San Gabriel Boulevard; north on San Gabriel Boulevard to Las Tunas Drive; west on Las Tunas Drive to Main Street; southwest on Main Street to Garfield Avenue; northwest on Garfield Avenue to Woodward Avenue; southwest and west on Woodward Avenue to Atlantic Boulevard; north on Atlantic Boulevard to Alhambra Road; west on Alhambra Road to the south South Pasadena city limits; west and north on the South Pasadena city limits to Arroyo Drive; west on Arroyo Drive to Marmion Way; northwest and west on Marmion Way and its west extension

to Figueroa Street; northeast on Figueroa Street to Poppypeak Drive; northeast on Poppypeak Drive and its northeast extension to the west Pasadena city limits; meandering north on the Pasadena city limits to Colorado Boulevard; east on Colorado Boulevard to Avenue 64; southeast and south on Avenue 64 to Glennover Drive; southwest on Glennover Drive to Sequoia Drive; southeast on Sequoia Drive to Glennullen Drive, southwest on Glennullen Drive to Sequoia Drive; south on Sequoia Drive to Cherry Drive; east on Cherry Drive to Juniper Drive; southwest on Juniper Drive; southwest on Juniper Drive to La Loma Road; east on La Loma Road to Avenue 64; south on Avenue 64 to the south Pasadena city limits; east, southeast and east on the Pasadena city limits to the west San Marino city limits; north, east and south on the San Marino city limits to Huntington Drive; east on Huntington Drive to Michillinda Avenue; north on Michillinda Avenue to the south Sierra Madre city limits; east, north, east and north on the Sierra Madre city limits to the north Arcadia city limits; east on the Arcadia city limits to the point of beginning.

30255. The 55th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Manchester Avenue and Van Ness Avenue; east on Manchester Avenue and its continuance as Firestone Boulevard to Compton Avenue; north on Compton Avenue to 84th Street; east on 84th Street and its east extension to Graham Avenue; south on Graham Avenue to 88th Street; east on 88th Street to Juniper Street; north on Juniper Street to Firestone Boulevard; southeast on Firestone Boulevard to Alameda Street; southeast on Alameda Street to the west extension of Ohio Avenue; east on the west extension of Ohio Avenue and Ohio Avenue to Stanford Avenue; south on Stanford Avenue to Tweedy Boulevard; southeast on Tweedy Boulevard to the north Lynwood city limits; meandering south and east on the Lynwood city limits to Imperial Highway; east on Imperial Highway to the west Downey city limits; north, east and southeast on the Downey city limits to Rosemead Boulevard; southwest on Rosemead Boulevard to Lakewood Boulevard; southwest on Lakewood Boulevard to Firestone Boulevard; northwest on Firestone Boulevard to Brookshire Avenue; southwest on Brookshire Avenue to Stewart and Gray Road; northwest on Stewart and Gray Road to Downey Avenue; southwest on Downey Avenue to the north Paramount city limits; northwest, southwest and northwest on the Paramount city limits to Century Boulevard (at Orange Avenue); northwest on Century Boulevard and its northwest extension (across the Los Angeles River) to Century Boulevard;

northwest on Century Boulevard to Platt Avenue; northwest on Platt Avenue to Bullis Road; southwest on Bullis Road to Fernwood Avenue; northwest on Fernwood Avenue to Long Beach Boulevard; south on Long Beach Boulevard to Lynwood Road; northwest on Lynwood Road to Alameda Street; south on Alameda Street to 124th Street; west on 124th Street to Mona Boulevard; southeast on Mona Boulevard to 130th Street; west on 130th Street to the east Compton city limits; east and south on the Compton city limits to Paulson Avenue; south on Paulson Avenue to Cressey Street; southwest on Cressey Street and its southwest extension to Rosecrans Avenue; west on Rosecrans Avenue to the east Los Angeles city limits; north and east on the Los Angeles city limits to Athens Way; north on Athens Way to 120th Street; west on 120th Street to Figueroa Street; north on Figueroa Street to Imperial Highway; west on Imperial Highway to Normandie Avenue; north on Normandie Avenue to 106th Street; west on 106th Street to Western Avenue; south on Western Avenue to 108th Street, west on 108th Street to Gramercy Place; north on Gramercy Place to Century Boulevard; west on Century Boulevard to Van Ness Avenue; north on Van Ness Avenue to the point of beginning.

30256. The 56th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Yucca Street and Highland Avenue; east on Yucca Street to Wilcox Avenue; north on Wilcox Avenue to Franklin Avenue; east on Franklin Avenue to the Hollywood Freeway (U.S. Highway 101); southeast on the Hollywood Freeway to Hollywood Boulevard; east on Hollywood Boulevard to Western Avenue; north on Western Avenue to Franklin Avenue; east on Franklin Avenue to Normandie Avenue; south on Normandie Avenue to Hollywood Boulevard; east on Hollywood Boulevard to Prospect Avenue; east on Prospect Avenue to Commonwealth Avenue; north on Commonwealth Avenue to Avocado Street; east on Avocado Street to Rowena Avenue; east and southeast on Rowena Avenue to Hyperion Avenue; south on Hyperion Avenue to Fountain Avenue; east on Fountain Avenue to Landa Street; east on Landa Street to Redesdale Avenue; north on Redesdale Avenue to West Silverlake Drive; north on West Silverlake Drive to the northwest extension of Cove Avenue; southeast on the northwest extension of Cove Avenue to Silver Lake Boulevard; north on Silver Lake Boulevard to Earl Street; east on Earl Street to Glendale Boulevard; north on Glendale Boulevard to Fletcher Drive; northeast on Fletcher Drive to the Los Angeles River; meandering southeast on the Los Angeles River to the Pasadena Freeway (State Highway 11);

southwest on the Pasadena Freeway to the east extension of Lookout Drive; west and northwest on the east extension of Lookout Drive and Lookout Drive to Lilac Terrace; northwest on Lilac Terrace to Stadium Way; northwest on Stadium Way to Boylston Street; southwest on Boylston Street to Lilac Terrace; northwest on Lilac Terrace to Sunset Boulevard; northwest on Sunset Boulevard to Glendale Boulevard; south on Glendale Boulevard to Temple Street; southeast on Temple Street to Broadway; southwest on Broadway to First Street; northwest on First Street to Hope Street; southwest on Hope Street to Second Street; northwest on Second Street to the Harbor Freeway (State Highway 11); southwest on the Harbor Freeway to Third Street; northwest on Third Street to Coronado Street; northeast on Coronado Street to Temple Street; northwest on Temple Street to Beverly Boulevard; west on Beverly Boulevard to Vermont Avenue; north on Vermont Avenue to Melrose Avenue; west on Melrose Avenue to Western Avenue; south on Western Avenue to Wilshire Boulevard; east on Wilshire Boulevard to Catalina Street; south on Catalina Street to San Marino Street; east on San Marino Street to Vermont Avenue; south on Vermont Avenue to Jefferson Boulevard; west on Jefferson Boulevard to Arlington Avenue; north on Arlington Avenue to Montclair Street; west and northwest on Montclair Street to 28th Street; west on 28th Street to Crenshaw Boulevard; northeast on Crenshaw Boulevard to Venice Boulevard; northwest on Venice Boulevard to West Boulevard; northeast on West Boulevard to Pico Boulevard; west on Pico Boulevard to Rimpau Boulevard; northeast on Rimpau Boulevard to Wilshire Boulevard; east on Wilshire Boulevard to Arden Boulevard; north on Arden Boulevard to Third Street; west on Third Street to Arden Boulevard; north on Arden Boulevard to Melrose Avenue; west on Melrose Avenue to Seward Street; north on Seward Street to Fountain Avenue; west on Fountain Avenue to Highland Avenue; north on Highland Avenue to the point of beginning.

30257. The 57th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and Pico Boulevard; east on Pico Boulevard to Centinela Avenue; south on Centinela Avenue and its south extension to Centinela Avenue; south on Centinela Avenue to Palms Boulevard; east on Palms Boulevard to Sawtelle Boulevard; southeast on Sawtelle Boulevard to Venice Boulevard; northeast on Venice Boulevard to Military Avenue; northwest on Military Avenue to Charnock Road; southwest on Charnock Road to Military Avenue; northwest on Military Avenue to Queensland Street; northeast on Queensland Street to Midvale Avenue; southeast

on Midvale Avenue to Queensland Street; northeast on Queensland Street to Overland Avenue; southeast on Overland Avenue to Cheviot Vista Place; east on Cheviot Vista Place to Valparaiso Street; southeast and northeast on Valparaiso Street to National Boulevard south on National Boulevard to Irene Street; northeast on Irene Street to Motor Avenue; northeast on Motor Avenue to Lorenzo Drive; northwest on Lorenzo Drive to the south boundary of the Rancho Park and Golf Course; east on the boundary of the Rancho Park and Golf Course to the south boundary of the Hillcrest Country Club; east, southeast and north on the south boundary of the Hillcrest Country Club to the Flood Control Channel; north on the Flood Control Channel to the west extension of Monte Mar Drive; east on the west extension of Monte Mar Drive and Monte Mar Drive to Robertson Boulevard; north on Robertson Boulevard to Pico Boulevard; east on Pico Boulevard to La Cienega Boulevard; north on La Cienega Boulevard to Olympic Boulevard; east on Olympic Boulevard to Carrillo Drive; northeast on Carrillo Drive to San Vicente Boulevard; northwest on San Vicente Boulevard to La Cienega Boulevard; north on La Cienega Boulevard to Beverly Boulevard; east on Beverly Boulevard to Fairfax Avenue; south on Fairfax Avenue to Pico Boulevard; west on Pico Boulevard to Crescent Heights Boulevard; south on Crescent Heights Boulevard to 18th Street; west on 18th Street to La Cienega Boulevard; south on La Cienega Boulevard to the Santa Monica Freeway (Interstate 10); east on the Santa Monica Freeway to La Brea Avenue; south on La Brea Avenue to Adams Boulevard; east on Adams Boulevard to Vineyard Avenue; southwest on Vineyard Avenue to Farmdale Avenue; south on Farmdale Avenue to Rodeo Road; west on Rodeo Road to La Brea Avenue; south on La Brea Avenue to the south Los Angeles city limits; southwest, north and west on the Los Angeles city limits to the east Culver City city limits; south, west, south, east and meandering generally south on the Culver City city limits to the San Diego Freeway (Interstate 405); southeast on the San Diego Freeway to the north Los Angeles city limits; northwest and southwest on the Los Angeles city limits to the north extension of Emerson Avenue; south on the north extension of Emerson Avenue and Emerson Avenue to Manchester Avenue; west on Manchester Avenue to Lincoln Boulevard; northwest on Lincoln Boulevard to the north Los Angeles city limits; west and north on the Los Angeles city limits to the south line of the entrance channel of Marina del Rey (near Vista Del Mar Lane); west on the south line of the entrance channel of Marina del Rey to the Pacific Ocean; northwest on the Pacific Ocean to the point of beginning.

30258. The 58th Assembly District shall include that

portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Magnolia Avenue and Colorado Boulevard; east on Colorado Boulevard to Ivy Avenue; north on Ivy Avenue to Lime Avenue; east on Lime Avenue to Shamrock Avenue; south on Shamrock Avenue to Huntington Drive (U.S. Highway 66); southeast and east on Huntington Drive to the west Duarte city limits; east, north and east on the Duarte city limits to Mount Olive Drive; south on Mount Olive Drive to Royal Oaks Drive; east on Royal Oaks Drive to Fish Canyon Road; south on Fish Canyon Road to Huntington Drive (U.S. Highway 66); southeast on Huntington Drive to the northwest Irwindale city limits (near the Southern Pacific Railroad); northeast, east and south on the Irwindale city limits to Foothill Boulevard (U.S. Highway 66); east on Foothill Boulevard to Alosta Avenue; southeast and east on Alosta Avenue to Barranca Avenue; south on Barranca Avenue to Mauna Loa Avenue; east on Mauna Loa Avenue to Glendora Avenue; south on Glendora Avenue to the Foothill Freeway (State Highway 210); northwest on the Foothill Freeway to Big Dalton Wash; southwest on Big Dalton Wash to Barranca Avenue; south on Barranca Avenue to Covina Boulevard; west on Covina Boulevard to Hollenbeck Avenue; north on Hollenbeck Avenue to San Dimas Wash; west on San Dimas Wash to Azusa Avenue (State Highway 39); south on Azusa Avenue to Puente Avenue; west on Puente Avenue and its continuance as Root Street to the west West Covina city limits; southwest and southeast on the West Covina city limits to Yarnell Street; southeast on Yarnell Street to Sunkist Avenue; southwest on Sunkist Avenue to Glenmere Street; southeast on Glenmere Street to Orange Avenue; southwest on Orange Avenue to Francisquito Avenue; southeast on Francisquito Avenue to the south West Covina city limits; northeast and southeast on the West Covina city limits to Hacienda Boulevard; southwest on Hacienda Boulevard to Francisquito Avenue; east on Francisquito Avenue to Walnut Avenue; south on Walnut Avenue to Echelon Avenue; south on Echelon Avenue to Amar Road; east on Amar Road to Azusa Avenue; southwest on Azusa Avenue to the north Industry city limits (near Valley Boulevard); northwest on the Industry city limits to the north extension of Anaheim-Puente Road; south on the north extension of Anaheim-Puente Road and Anaheim-Puente Road to Azusa Avenue; south on Azusa Avenue to the Union Pacific Railroad (near Depot Street); northwest on the Union Pacific Railroad to Turnbull Canyon Road; northeast on Turnbull Canyon Road to Don Julian Road; northwest on Don Julian Road to 5th Avenue; northeast on 5th Avenue to Proctor Avenue; northwest on Proctor

Avenue to the southwest extension of 2nd Avenue; northeast on the southwest extension of 2nd Avenue and 2nd Avenue to Valley Boulevard; northwest on Valley Boulevard to Garvey Avenue; west on Garvey Avenue to Central Avenue; north on Central Avenue to Bodger Street; west on Bodger Street to Havenpark Avenue; north on Havenpark Avenue to Rio Hondo Parkway; north on Rio Hondo Parkway to Asher Street; northwest on Asher Street to Towneway Drive; northeast on Towneway Drive and its northeast extension to the San Bernardino Freeway (Interstate 10); northwest and west on the San Bernardino Freeway to the west Rosemead city limits; north on the Rosemead city limits to Temple City Boulevard; northwest on Temple City Boulevard to Lower Azusa Road; east on Lower Azusa Road to Baldwin Avenue; north on Baldwin Avenue to La Rosa Drive; east on La Rosa Drive to Arden Drive; north on Arden Drive to Freer Street; east on Freer Street to Hallowell Avenue; south on Hallowell Avenue to Miloann Street; east on Miloann Street to Halifax Road; north on Halifax Road to Olive Street; east on Olive Street to El Monte Avenue; south on El Monte Avenue to Lower Azusa Road; east on Lower Azusa Road to the Rio Hondo Channel; northeast on the Rio Hondo Channel to the north El Monte city limits; northeast on the El Monte city limits to Peck Road; northeast on Peck Road to the south Monrovia city limits; southeast, northeast and north on the south Monrovia city limits to Peck Road; north on Peck Road to Duarte Road; west on Duarte Road to Magnolia Avenue; north on Magnolia Avenue to the point of beginning.

30259. The 59th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Pico Boulevard and Lincoln Boulevard; northwest on Lincoln Boulevard to Santa Monica Boulevard; east on Santa Monica Boulevard to Cloverfield Boulevard; south on Cloverfield Boulevard to Colorado Boulevard; east on Colorado Boulevard to Centinela Avenue; northwest on Centinela Avenue to Wilshire Boulevard; northeast on Wilshire Boulevard to McClellan Drive; northwest and northeast on McClellan Drive to Wellesley Avenue; northwest on Wellesley Avenue to Darlington Avenue; northeast on Darlington Avenue to Gretna Green Way; northwest on Gretna Green Way to Montana Avenue; northeast on Montana Avenue to Westgate Avenue; northwest on Westgate Avenue to Sunset Boulevard; southwest on Sunset Boulevard to Kenter Avenue; northwest on Kenter Avenue to Homewood Road; northwest on Homewood Road to Elkins Road; northwest on Elkins Road to Oakmont Drive; meandering northwest on Oakmont Drive to Mandeville Canyon Road; north and northwest on Mandeville

Canyon Road and its northwest extension to Mulholland Drive; west on Mulholland Drive to Encino Avenue; north on Encino Avenue to the southeast extension of Twilight Lane; northwest on the southeast extension of Twilight Lane and Twilight Lane to Alonzo Avenue; north on Alonzo Avenue to White Oak Place; north on White Oak Place to White Oak Avenue; north on White Oak Avenue to the Ventura Freeway (U.S. Highway 101); east and southeast on the Ventura Freeway to Magnolia Boulevard; east on the east extension of Magnolia Boulevard to the San Diego Freeway (Interstate 405); south on the San Diego Freeway to Mulholland Drive; east on Mulholland Drive to Laurel Canyon Boulevard; meandering southeast on Laurel Canyon Boulevard to Sunset Boulevard; west on Sunset Boulevard to Crescent Heights Boulevard; southwest on Crescent Heights Boulevard to the south Los Angeles city limits; west, north and southwest on the Los Angeles city limits to the north extension of La Cienega Boulevard; south on the north extension of La Cienega Boulevard and La Cienega Boulevard to San Vicente Boulevard; southeast on San Vicente Boulevard to Carrillo Drive; southwest on Carrillo Drive to Olympic Boulevard; west on Olympic Boulevard to La Cienega Boulevard; south on La Cienega Boulevard to Pico Boulevard; west on Pico Boulevard to Robertson Boulevard; south on Robertson Boulevard to Monte Mar Drive; west on Monte Mar Drive and its west extension to the Flood Control Channel (near Sawyer Street and Roxbury Drive); southwest on the Flood Control Channel to the south Hillcrest Country Club boundary; south, northwest and southwest on the Hillcrest Country Club boundary and its west extension to the south boundary of Rancho Park and Golf Course; southwest on the south boundary of Rancho Park and Golf Course to Lorenzo Drive; southeast on Lorenzo Drive to Motor Avenue; southwest on Motor Avenue to Irene Street; southwest on Irene Street to National Boulevard; north on National Boulevard to Valparaiso Street; northwest on Valparaiso Street to Cheviot Vista Place; west on Cheviot Vista Place to Overland Avenue; northwest on Overland Avenue to Queensland Street; southwest on Queensland Street to Midvale Avenue, northwest on Midvale Avenue to Queensland Street; southwest on Queensland Street to Military Avenue; southeast on Military Avenue to Charnock Road; northeast on Charnock Road to Military Avenue; southeast on Military Avenue to Venice Boulevard; southwest on Venice Boulevard to Sawtelle Boulevard; northwest on Sawtelle Boulevard to Palms Boulevard; southwest on Palms Boulevard to Centinela Avenue; northwest on Centinela Avenue and its northwest extension to Centinela Avenue; northwest on Centinela Avenue to Pico Boulevard; southwest on Pico Boulevard to

the point of beginning.

30260. The 60th Assembly District shall include that portion of Ventura and Los Angeles Counties bounded and described as follows:

Beginning at the intersection of the east boundary of Point Mugu Park and the Pacific Ocean (near Point Mugu); north on a direct line to an intersection with a north boundary of Rancho Guadalasca and Pancho Road; east on the boundary of Rancho Guadalasca and its eastern extension to the Ventura Freeway at a point near old Conejo Road; northeast on the Ventura Freeway to Callaguas Creek; north and northeast on Calleguas Creek to the eastern extension of Germain Street; west on the eastern extension of Germain Street and Germain Street to Roman Avenue; north on Roman Avenue to Appian Way; west on Appian Way to Dewayne Avenue; north on Dewayne Avenue to Landen Street; southwest on Landen Street to Loma Drive; south on Loma Drive to East Dwight Avenue; southwest on East Dwight Avenue and its southwest extension to Arneill Road; south on Arneill Road to the Ventura Freeway (U.S. Highway 101); west on the Ventura Freeway to Central Avenue; northwest on Central Avenue to Beardsley Road; northeast on Beardsley Road to Beardsley Wash; northeast on Beardsley Wash to Center School Road; north on Center School Road to State Highway 118; east on State Highway 118 to Sand Canyon Road; south on Sand Canyon Road to Arroyo Las Posas; east on Arroyo Las Posas to a storm drain about 2,000 feet west of Hitch Road; due south on the storm drain to East Presilla Road; east on East Presilla Road and its extension to the west boundary of Section 16 of T. 2 N., R. 19 W.; south on the west boundary of Section 16 of T. 2 N., R. 19 W. to Arroyo Santa Rosa; east on Arroyo Santa Rosa to the east boundary of Section 16 of T. 2 N., R. 19 W.; south on the east boundary of Section 16 of T. 2 N., R. 19 W. to Moorpark Road; meandering southwest, southeast and south on Moorpark Road to an unnamed arroyo south of Calle Jazmin; southeast and east on the unnamed arroyo and its east extension to Erbes Road; south on Erbes Road to Hillcrest Drive; southeast and southwest on Hillcrest Drive to Thousand Oaks Boulevard; southeast on Thousand Oaks Boulevard to Sunset Drive; southwest on Sunset Drive to Los Robles Road; south on Los Robles Road to the Ventura Freeway; southeast on the Ventura Freeway to the Los Angeles-Ventura county line; southwest and south on the Los Angeles-Ventura county line to the Pacific Ocean; northwest on the Pacific Ocean to the point of beginning.

Beginning at the intersection of the Pacific Ocean and the southwest extension of Pico Boulevard; east on the southwest extension of Pico Boulevard and Pico Boulevard to Lincoln

Boulevard; north on Lincoln Boulevard to Santa Monica Boulevard; northeast on Santa Monica Boulevard to Cloverfield Boulevard; south on Cloverfield Boulevard to Colorado Avenue; east on Colorado Avenue to Centinela Avenue; northwest on Centinela Avenue to Wilshire Boulevard; northeast on Wilshire Boulevard to McClellan Drive; northwest and northeast on McClellan Drive to Wellesley Avenue; northwest on Wellesley Avenue to Darlington Avenue; northeast on Darlington Avenue to Gretna Green Way; northwest on Gretna Green Way to Montana Avenue; northeast on Montana Avenue to Westgate Avenue; northwest, north and northeast on Westgate Avenue to Sunset Boulevard; southwest on Sunset Boulevard to Kenter Avenue; northwest on Kenter Avenue to Homewood Road; northwest on Homewood Road to Elkins Road; northwest and southwest on Elkins Road to Oakmont Drive; meandering northwest on Oakmont Drive to Mandeville Canyon Road; north and northwest on Mandeville Canyon Road and its northwest extension to Mulholland Drive; meandering west on Mulholland Drive to the south extension of Corbin Avenue, north on the south extension of Corbin Avenue and Corbin Avenue to Wells Drive; east on Wells Drive to Avenida Hacienda; southeast on Avenida Hacienda to Tarzana Drive; east on Tarzana Drive to Avenida Oriente; north on Avenida Oriente to Ventura Boulevard; southeast on Ventura Boulevard to Etiwanda Avenue; north on Etiwanda Avenue and its north extension to the Ventura Freeway (U.S. Highway 101); west on the Ventura Freeway to De Soto Avenue; north on De Soto Avenue to Serrania Avenue; north on Serrania Avenue and its northern extension to the east extension of Oxnard Street; west on the east extension of Oxnard Street and Oxnard Street to Fallbrook Avenue; north on Fallbrook Avenue to Bell Creek; east on Bell Creek to Shoup Avenue; north on Shoup Avenue to Sherman Way; west on Sherman Way to Chatsworth Creek; northwest on Chatsworth Creek to Saticoy Street; east on Saticoy Street to Shoup Avenue; north on Shoup Avenue to Roscoe Boulevard; west on Roscoe Boulevard to Dayton Creek; northwest on Dayton Creek to the Ventura-Los Angeles county line; south and southwest on the Ventura-Los Angeles county line to the Pacific Ocean; east on the Pacific Ocean to the point of beginning.

30261. The 61st Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Mulholland Drive and the San Diego Freeway (Interstate 405); north on the San Diego Freeway to the west extension of Magnolia Boulevard; east on the west extension of Magnolia Boulevard and Magnolia

Boulevard to Van Nuys Boulevard; south on Van Nuys Boulevard to the Los Angeles River; west on the Los Angeles River to Kester Avenue; south on Kester Avenue to Ventura Boulevard; east on Ventura Boulevard to Kester Avenue; southwest on Kester Avenue to Valley Vista Boulevard; meandering southeast on Valley Vista Boulevard to Beverly Glen Boulevard; south on Beverly Glen Boulevard to Valley Vista Boulevard; meandering east on Valley Vista Boulevard to Dixie Canyon Avenue; north on Dixie Canyon Avenue to Ventura Boulevard; west on Ventura Boulevard to Greenbush Avenue; north on Greenbush Avenue to Moorpark Street; east on Moorpark Street to Fulton Avenue; north on Fulton Avenue to Sarah Street; east on Sarah Street to Atoll Avenue; north on Atoll Avenue and its north extension to the Ventura Freeway (U.S. Highway 101); east on the Ventura Freeway to Whitsett Avenue; north on Whitsett Avenue to Magnolia Boulevard; east on Magnolia Boulevard to the west Burbank city limits; south, east and southeast on the Burbank city limits to Verdugo Avenue; northeast on Verdugo Avenue to Hollywood Way; southeast on Hollywood Way to Oak Street; northeast on Oak Street to California Street; southeast on California Street to Alameda Avenue; northeast on Alameda Avenue to Main Street; southeast on Main Street to Riverside Drive; south on a direct line to the eastern boundary of Rancho Los Feliz; south on the eastern boundary of Rancho Los Feliz to the south boundary of Griffith Park; northeast on the boundary of Griffith Park to Fern Dell Drive; southwest on Fern Dell Drive to Western Avenue; south on Western Avenue to Hollywood Boulevard; west on Hollywood Boulevard to the Hollywood Freeway (U.S. Highway 101); northwest on the Hollywood Freeway to Franklin Avenue; west on Franklin Avenue to Wilcox Avenue; south on Wilcox Avenue to Yucca Street; west on Yucca Street to Highland Avenue; south on Highland Avenue to Fountain Avenue; east on Fountain Avenue to Seward Street; south on Seward Street to Melrose Avenue; east on Melrose Avenue to Arden Boulevard; south on Arden Boulevard to 3rd Street; east on 3rd Street to Arden Boulevard; south on Arden Boulevard to Wilshire Boulevard; west on Wilshire Boulevard to Rimpau Boulevard; southwest on Rimpau Boulevard to Pico Boulevard; east on Pico Boulevard to West Boulevard; southwest on West Boulevard to Venice Boulevard; southeast on Venice Boulevard to Crenshaw Boulevard; southwest on Crenshaw Boulevard to Adams Boulevard; west on Adams Boulevard to La Brea Avenue; north on La Brea Avenue to the Santa Monica Freeway (Interstate 10); west on the Santa Monica Freeway to La Cienega Boulevard; north on La Cienega Boulevard to 18th Street; east on 18th Street to Crescent Heights Boulevard; north on Crescent Heights

Boulevard to Pico Boulevard; east on Pico Boulevard to Fairfax Avenue; north on Fairfax Avenue to Beverly Boulevard; west on Beverly Boulevard to La Cienega Boulevard; north on La Cienega Boulevard and its north extension to the Los Angeles city limits (near Sunset Boulevard); northeast, south and east on the Los Angeles city limits to Crescent Heights Boulevard; northeast on Crescent Heights Boulevard to Sunset Boulevard; east on Sunset Boulevard to Laurel Canyon Boulevard; meandering northwest on Laurel Canyon Boulevard to Mulholland Drive; meandering west on Mulholland Drive to the point of beginning.

30262. The 62nd Assembly District shall include that portion of Los Angeles County which lies north of the line described as follows:

Beginning at the intersection of the Ventura-Los Angeles county line and the north Los Angeles city limits (north of Valley Circle Boulevard); east and north on the Los Angeles city limits to the southwest boundary of Oakwood Cemetery; southeast, east and northeast on the boundary of Oakwood Cemetery to Lassen Street; east on Lassen Street to Browns Canyon Wash; north on Browns Canyon Wash to Devonshire Street, east on Devonshire Street to Tampa Avenue; south on Tampa Avenue to Lassen Street; east on Lassen Street to Wilber Wash; north on Wilber Wash to Chatsworth Street; east on Chatsworth Street to Yolanda Avenue; generally north on Yolanda Avenue to Celtic Street; east on Celtic Street to Reseda Boulevard; north on Reseda Boulevard to Rinaldi Street; northeast on Rinaldi Street to Aliso Canyon Wash; south on Aliso Canyon Wash to San Fernando Mission Boulevard; east on San Fernando Mission Boulevard to Balboa Boulevard; north on Balboa Boulevard to San Fernando Road; southeast on San Fernando Road to the south extension of Filbert Street; north on the south extension of Filbert Street and Filbert Street to Foothill Boulevard; northeast on Foothill Boulevard to Glenoaks Boulevard; southeast on Glenoaks Boulevard to the northwest San Fernando city limits; northeast, southeast and northeast on the San Fernando city limits to Foothill Boulevard; southeast on Foothill Boulevard to Vaughn Street; northeast on Vaughn Street and its northeast extension to the east Los Angeles city limits; southeast on the Los Angeles city limits to Little Tujunga Wash; southwest on Little Tujunga Wash to the Hansen Dam; northeast on the Hansen Dam and its east extension to a north extension of Clybourn Avenue; southeast on the north extension of Clybourn Avenue and Clybourn Avenue to Tuxford Street; east on Tuxford Street to Wheatland Avenue; south on Wheatland Avenue to Glenoaks Boulevard; southeast on Glenoaks Boulevard to the northeast extension

of Armenita Street ; southwest on the northeast extension of Armenita Street and Armenita Street to Arcola Avenue; south on Arcola Avenue and its south extension to the Southern Pacific Railroad; southeast on the Southen Pacific Railroad to the west extension of Winona Avenue; east on the west extension of Winona Avenue and Winona Avenue to Glenoaks Boulevard; southeast on Glenoaks Boulevard to Scott Road; southeast on Scott Road and its southeast extension to Burbank Boulevard; northeast on Burbank Boulevard to San Fernando Boulevard; southeast on San Fernando Boulevard to Grinnell Drive; northeast on Grinnell Drive to Glenoaks Boulevard; northwest on Glenoaks Boulevard to Grinnel Drive; northeast on Grinnell Drive to 6th Street; northwest on 6th Street to East Walnut Avenue; northeast on East Walnut Avenue and its northeast extension to the west Glendale City limits; northwest, east and north on the Glendale city limits to Santa Carlotta Street; southeast on Santa Carlotta Street to Orange Avenue; east on Orange Avenue to the east Glendale city limits; north on the Glendale city limits to a south boundary of Angeles National Forest (near Dunsmore Canyon); west on a south boundary of Angeles National Forest to the west boundary of Section 16 of T. 2 N., R. 13 W.; north on the west boundary of Section 16 of T. 2 N., R. 13 W. to the north boundary of Section 16 of T. 2 N., R. 13 W.; east on the north boundary of Section 16 of T. 2 N., R. 13 W. in a direct line east to the west boundary of Section 13 of T. 2 N., R. 9 W.; south on the west boundary of Sections 13, 24, 25 and 36 of T. 2 N., R. 9 W. to the west boundary of Section 1 of T. 1 N., R. 9 W.; south on the west boundary of Sections 1, 12, 13 and 24 of T. 1 N., R. 9 W. to the south boundary of Section 24 of T. 1 N., R. 9 W.; east on the south boundary of Section 24 of T. 1 N., R. 9 W. to the south boundary of the Angeles National Forest; east, north and east on the boundary of Angeles National Forest to the San Bernardino-Los Angeles county line.

30263. The 63rd Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the south line of the entrance channel of Marina Del Rey and the Pacific Ocean; northeast on the south line of the entrance channel of Marina Del Rey to the east Los Angeles city limits (near Vista Del Mar Lane); south and northeast on the Los Angeles city limits to Lincoln Boulevard; southeast on Lincoln Boulevard to Manchester Avenue; east on Manchester Avenue to Emerson Avenue; north and northwest on Emerson Avenue and its north extension to the north Los Angeles city limits; east and northeast on the Los Angeles city limits to the San Diego Freeway (Interstate 405); northwest on the San Diego

Freeway to the Culver City city limits; southeast, northeast and north on the Culver City city limits to the south Los Angeles city limits; east, south and northeast on the Los Angeles city limits to La Brea Avenue; north on La Brea Avenue to Rodeo Road; east on Rodeo Road to Farmdale Avenue; north on Farmdale Avenue to Vineyard Avenue; northeast on Vineyard Avenue to Adams Boulevard; east on Adams Boulevard to Crenshaw Boulevard; south on Crenshaw Boulevard to 28th Street; east on 28th Street to Montclair Street; southeast and east on Montclair Street to Arlington Avenue; south on Arlington Avenue to Jefferson Boulevard; east on Jefferson Boulevard to Vermont Avenue; south on Vermont Avenue to Vernon Avenue; west on Vernon Avenue to Normandie Avenue; south on Normandie Avenue to 78th Street; west on 78th Street to Hobart Boulevard; north on Hobart Boulevard to 76th Street; west on 76th Street to the north Inglewood city limits; south, west and north on the Inglewood city limits to Florence Avenue; southwest on Florence Avenue to the San Diego Freeway (Interstate 405); south on the San Diego Freeway to Arbor Vitae Street; west on Arbor Vitae Street to La Cienega Boulevard; south on La Cienega Boulevard to Imperial Highway; west on Imperial Highway to Aviation Boulevard; north on Aviation Boulevard to Century Boulevard; west on Century Boulevard to Sepulveda Boulevard; south on Sepulveda Boulevard to Pine Avenue; west on Pine Avenue and its extension to Sheldon Street; south on Sheldon Street to El Segundo Boulevard; west on El Segundo Boulevard and its west extension to the Pacific Ocean; northwest on the Pacific Ocean to the point of beginning.

30264. The 64th Assembly District shall include those portions of Los Angeles and Ventura Counties bounded and described as follows:

Beginning at the intersection of the Ventura-Los Angeles county line and the north Los Angeles city limits (north of Valley Circle Boulevard); east and north on the Los Angeles city limits to the southwest boundary of Oakwood Cemetery; southeast, east and northeast on the boundary of Oakwood Cemetery to Lassen Street; east on Lassen Street to Browns Canyon Wash; north on Browns Canyon Wash to Devonshire Street; east on Devonshire Street to Tampa Avenue; south on Tampa Avenue to Lassen Street; east on Lassen Street to Wilber Wash; north on Wilber Wash to Chatsworth Street; east on Chatsworth Street to Yolanda Avenue; generally north on Yolanda Avenue to Celtic Street; east on Celtic Street to Reseda Boulevard; north on Reseda Boulevard to Rinaldi Street; northeast on Rinaldi Street to Aliso Canyon Wash; south on Aliso Canyon Wash to San Fernando Mission Boulevard; west on San Fernando Mission Boulevard to

Balboa Boulevard; north on Balboa Boulevard to Rinaldi Street; east on Rinaldi Street to Stranwood Avenue; southeast on Stranwood Avenue and its extensions to Sepulveda Boulevard; south on Sepulveda Boulevard to Stranwood Avenue; southeast on Stranwood Avenue to San Fernando Mission Boulevard; west on San Fernando Mission Boulevard to Bull Creek; south on Bull Creek to Chatsworth Street; east on Chatsworth Street to Sepulveda Boulevard; south on Sepulveda Boulevard to Devonshire Street; west on Devonshire Street to Balboa Boulevard; south on Balboa Boulevard to Lassen Street; east on Lassen Street to Sepulveda Boulevard; south on Sepulveda Boulevard to Nordhoff Street; west on Nordhoff Street to Balboa Boulevard; south on Balboa Boulevard to Roscoe Boulevard; west on Roscoe Boulevard to Louise Avenue; south on Louise Avenue to Strathern Street; east on Strathern Street to Balboa Boulevard; south on Balboa Boulevard to Vanowen Street; west on Vanowen Street to Reseda Boulevard; north on Reseda Boulevard to Bassett Street; west on Bassett Street to Aliso Wash; north on Aliso Wash to Sherman Way; west on Sherman Way to Oakdale Avenue; north on Oakdale Avenue and its northern extension to Saticoy Street; west on Saticoy Street to Oso Avenue; south on Oso Avenue to Sherman Way; east on Sherman Way to Winnetka Avenue; south on Winnetka Avenue to the Los Angeles River; east on the Los Angeles River to Corbin Avenue; south on Corbin Avenue to Oxnard Street; west on Oxnard Street and its west extension to Oxnard Street; west on Oxnard Street to Fallbrook Avenue; north on Fallbrook Avenue to Bell Creek; east on Bell Creek to Shoup Avenue; north on Shoup Avenue to Sherman Way; west on Sherman Way to Chatsworth Creek; northwest on Chatsworth Creek to Saticoy Street; east on Saticoy Street to Shoup Avenue; north on Shoup Avenue to Roscoe Boulevard; west on Roscoe Boulevard to Dayton Creek; northwest on Dayton Creek to the Ventura-Los Angeles county line; north, east, and north on the Ventura-Los Angeles county line to the point of beginning.

Beginning at the intersection of the Los Angeles-Ventura county line and Santa Susana Pass Road; south, west, south, west and southwest on the Los Angeles-Ventura county line to the Ventura Freeway (U.S. Highway 101); northwest on the Ventura Freeway to Los Robles Road; northwest on Los Robles Road to Sunset Drive; northeast on Sunset Drive to Thousand Oaks Boulevard; northwest on Thousand Oaks Boulevard to Hillcrest Drive; northeast and northwest on Hillcrest Drive to Erbes Road; generally north on Erbes Road to the east extension of an unnamed arroyo (south of Calle Jazmin); west on the east extension of the unnamed arroyo and the unnamed arroyo to Moorpark Road; meandering

north on Moorpark Road to the north Thousand Oaks city limits; east on the Thousand Oaks city limits to the Tierra Rejada-Simi Valley Divide; generally northeast on the Tierra Rejada-Simi Valley Divide to Tierra Rejada Road; northeast on Tierra Rejada Road to Llevarancho Road; northeast and north on Llevarancho Road and its north extension to Arroyo Simi; southwest and northwest on Arroyo Simi to the south extension of Quimisa Drive; north on the south extension of Quimisa Drive and Quimisa Drive to the Southern Pacific Railroad; generally east on the Southern Pacific Railroad to Santa Susana Pass Road; generally east on Santa Susana Pass Road to the point of beginning.

30265. The 65th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Aviation Boulevard and Imperial Highway; east on Imperial Highway to La Cienega Boulevard; north on La Cienega Boulevard to Arbor Vitae Street; east on Arbor Vitae Street to the San Diego Freeway (Interstate 405); north on the San Diego Freeway to Florence Avenue; northeast on Florence Avenue to the east Inglewood city limits; meandering south, east, and north on the Inglewood city limits to 76th Street; east on 76th Street to Hobart Boulevard; south on Hobart Boulevard to 78th Street; east on 78th Street to Normandie Avenue; north on Normandie Avenue to Florence Avenue; east on Florence Avenue to Hoover Street; south on Hoover Street to 79th Street; east on 79th Street to San Pedro Street; south on San Pedro Street to 79th Street; east on 79th Street to Avalon Boulevard; north on Avalon Boulevard to 76th Street; east on 76th Street to McKinley Avenue; north on McKinley Avenue to Florence Avenue; east on Florence Avenue to Converse Avenue; north on Converse Avenue to 65th Street; east on 65th Street to the Southern Pacific Railroad (near South Avenue); north on the Southern Pacific Railroad to 60th Street; east on 60th Street to Holmes Avenue; north on Holmes Avenue to Slauson Avenue; east on Slauson Avenue to the Southern Pacific Railroad (near Alameda Street); southeast on the Southern Pacific Railroad to the south Huntington Park city limits; east, south and east on the Huntington Park city limits to the east Cudahy city limits; northwest and east on the Cudahy city limits to the Los Angeles River; south on the Los Angeles River to the Southern Pacific Railroad; east and southeast on the Southern Pacific Railroad to the west Downey city limits; southwest and southeast on the Downey city limits to Imperial Highway; west on Imperial Highway to the east Lynwood city limits; north, west and north on the Lynwood city limits to Tweedy Boulevard; northwest on Tweedy Boulevard to Stanford

Avenue; north on Stanford Avenue to Ohio Avenue; west on Ohio Avenue and its west extension to Alameda Street; northwest on Alameda Street to Firestone Boulevard; northwest on Firestone Boulevard to Juniper Street; south on Juniper Street to 88th Street; west on 88th Street to Graham Avenue; north on Graham Avenue to the east extension of 84th Street; west on the east extension of 84th Street and 84th Street to Compton Avenue; south on Compton Avenue to Firestone Boulevard; west on Firestone Boulevard and its continuance as Manchester Avenue to Van Ness Avenue; south on Van Ness Avenue to Century Boulevard; east on Century Boulevard to Gramercy Place; south on Gramercy Place to 108th Street; west on 108th Street to Van Ness Avenue; south on Van Ness Avenue to the north Hawthorne city limits; west and south on the Hawthorne city limits to 120th Street; west on 120th Street to Prairie Avenue; south on Prairie Avenue to El Segundo Boulevard; west on El Segundo Boulevard to Inglewood Avenue; south on Inglewood Avenue to 138th Street; west on 138th Street to La Cienega Boulevard; south on La Cienega Boulevard to the east extension of 138th Place; west on the east extension of 138th Place and 138th Place to Isis Avenue; south on Isis Avenue to 139th Street; west on 139th Street and its west extension to Aviation Boulevard; north on Aviation Boulevard to the point of beginning.

30266. The 66th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the Orange-Los Angeles county line and Wardlow Road; west on Wardlow Road to the San Gabriel River Freeway (Interstate 605); north on the San Gabriel River Freeway to the south extension of Pioneer Boulevard; north on the south extension of Pioneer Boulevard and Pioneer Boulevard to Carson Street; west on Carson Street to the San Gabriel River; northwest on the San Gabriel River to Del Amo Boulevard; east on Del Amo Boulevard to Norwalk Boulevard; north on Norwalk Boulevard to 195th Street; west on 195th Street to the San Gabriel River Freeway (Interstate 605); northwest on the San Gabriel River Freeway to 183rd Street; east on 183rd Street to Gridley Road; north on Gridley Road to the north Cerritos city limits; west and north on the Cerritos city limits to 166th Street; west on 166th Street and its west extension to the San Gabriel River Freeway (Interstate 605); north on the San Gabriel River Freeway to Alondra Boulevard; west on Alondra Boulevard to the San Gabriel River; north on the San Gabriel River to Imperial Highway; east on Imperial Highway to Pioneer Boulevard; north on Pioneer Boulevard to the Santa Ana Freeway (Interstate 5); northwest on the Santa Ana Freeway to the

Southern Pacific Railroad (near Ringwood Avenue); northeast on the Southern Pacific Railroad to the northwest extension of Lakeland Road; east, south and east on the northwest extension of Lakeland Road and Lakeland Road to Norwalk Boulevard; north on Norwalk Boulevard to Telegraph Road; northwest on Telegraph Road to the San Gabriel River; northeast on the San Gabriel River to Washington Boulevard; southeast on Washington Boulevard to the east Santa Fe Springs city limits; southeast on the Santa Fe Springs city limits to the Southern Pacific Railroad; east on the Southern Pacific Railroad to Mulberry Drive; southeast on Mulberry Drive to Mills Avenue; southwest on Mills Avenue to Broadway Street; southeast on Broadway Street to Colima Road; northeast on Colima Road to Lambert Road; southeast on Lambert Road to Santa Gertrudes Avenue; north on Santa Gertrudes Avenue to Cullen Street; west on Cullen Street to Cole Road; north on Cole Road to Whittier Boulevard; southeast and east on Whittier Boulevard to the Orange-Los Angeles county line; south and southwest on the Orange-Los Angeles county line to the point of beginning.

30267. The 67th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of Aviation Boulevard and the west extension of 139th Street; east on the west extension of 139th Street and 139th Street to Isis Avenue; north on Isis Avenue to 138th Place; east on 138th Place and its east extension to La Cienega Boulevard; north on La Cienega Boulevard to 138th Street; east on 138th Street to Inglewood Avenue; north on Inglewood Avenue to El Segundo Boulevard; east on El Segundo Boulevard to Prairie Avenue; north on Prairie Avenue to 120th Street; east on 120th Street to the north Hawthorne city limits; east, north and east on the Hawthorne city limits to Van Ness Avenue; north on Van Ness Avenue to 108th Street; east on 108th Street to Western Avenue; north on Western Avenue to 106th Street; east on 106th Street to Normandie Avenue; south on Normandie Avenue to Imperial Highway; east on Imperial Highway to Figueroa Street; south on Figueroa Street to 120th Street; east on 120th Street to Athens Way; south on Athens Way to the south Los Angeles city limits; west and south on the Los Angeles city limits to Rosecrans Avenue; east on Rosecrans Avenue to Central Avenue; south on Central Avenue to Artesia Boulevard; west on Artesia Boulevard to Avalon Boulevard; south on Avalon Boulevard to Victoria Street; west and southwest on Victoria Street to 190th Street; west on 190th Street to Western Avenue; south on Western Avenue to Carson Street; west on Carson Street to Crenshaw Boulevard; north on Crenshaw Boulevard to 190th Street; west on 190th

Street to the north Torrance city limits; west on the Torrance city limits to Flagler Lane; north on Flagler Lane to Anita Street; southwest on Anita Street to Prospect Street; north on Prospect Street to the east Hermosa Beach city limits; northwest on the Hermosa Beach city limits to Artesia Boulevard; east on Artesia Boulevard to Aviation Way; north on Aviation Way and its north extension to Aviation Boulevard; north on Aviation Boulevard to Robinson Street; east on Robinson Street to Aviation Place; north on Aviation Place to Aviation Boulevard; north on Aviation Boulevard to the point of beginning.

30268. The 68th Assembly District shall include that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the southwest extension of Western Avenue and the Pacific Ocean; northeast on the southwest extension of Western Avenue and Western Avenue to Morse Drive; northwest on Morse Drive to Mantis Avenue; north on Mantis Avenue to Cumbre Drive; west on Cumbre Drive to the west Los Angeles city limits; north on the Los Angeles city limits to the Pacific Coast Highway (State Highway 1); west on the Pacific Coast Highway to Atkinson Avenue; north on Atkinson Avenue to Crenshaw Boulevard; north on Crenshaw Boulevard to Lomita Boulevard; southeast on Lomita Boulevard to the east Lomita city limits; north on the Lomita city limits to the east Torrance city limits; north on the Torrance city limits to Sepulveda Boulevard; northwest on Sepulveda Boulevard to Cabrillo Avenue; northeast on Cabrillo Avenue to Plaza Del Amo; northwest on Plaza Del Amo to Arlington Avenue; north on Arlington Avenue to Carson Street; east on Carson Street to Western Avenue; north on Western Avenue to 190th Street; east on 190th Street to Victoria Street; northeast and east on Victoria Street to Avalon Boulevard; south on Avalon Boulevard to the east Los Angeles city limits; east and southeast on the Los Angeles city limits to the Dominguez Channel; southwest on the Dominguez Channel to the Pacific Coast Highway (State Highway 1); east and southeast on the Pacific Coast Highway to the west Long Beach city limits; southeast on the Long Beach city limits to Anaheim Street; east on Anaheim Street to the Los Angeles River; south on the Los Angeles River to the west extension of Broadway; east on the west extension of Broadway and Broadway to Magnolia Avenue; south on Magnolia Avenue to Seaside Boulevard; east on Seaside Boulevard and its east extension to Pine Avenue; north on Pine Avenue to 7th Street; east on 7th Street to Redondo Avenue; south on Redondo Avenue and its south extension to the Pacific Ocean; southwest and west on the Pacific Ocean to the point of beginning.

30269. The 69th Assembly District shall include those portions of Los Angeles and Orange Counties bounded and described as follows:

Beginning at the intersection of the Los Angeles-Orange county line and Willow Street; west on Willow Street to the San Gabriel River; north on the San Gabriel River to Wardlow Road; west on Wardlow Road to Woodruff Avenue; north on Woodruff Avenue to Carson Street; west on Carson Street to Bellflower Boulevard; north on Bellflower Boulevard to South Street; east and southeast on South Street to Woodruff Avenue; north on Woodruff Avenue to Allington Street; east on Allington Street to Palo Verde Avenue; south on Palo Verde Avenue to Candlewood Street; east on Candlewood Street and its east extension to the San Gabriel River; southeast on the San Gabriel River to Carson Street; east on Carson Street to Pioneer Boulevard; south on Pioneer Boulevard and its southern extension to the San Gabriel River Freeway (Interstate 605); south on the San Gabriel River Freeway to Wardlow Road; east on Wardlow Road to the Orange-Los Angeles county line; southwest on the Orange-Los Angeles county line to the point of beginning.

That portion of Orange County not included in the 35th, 39th, 50th, 52nd, 70th and 71st Assembly Districts as bounded and described in Sections 30235, 30239, 30250, 30252, 30270 and 30271.

30270. The 70th Assembly District shall include that portion of Orange County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and Beach Boulevard (State Highway 39); north on Beach Boulevard to Warner Avenue; east on Warner Avenue to Magnolia Street; north on Magnolia Street to Bolsa Avenue; east on Bolsa Avenue to Bushard Street; north on Bushard Street to Hazard Avenue; east on Hazard Avenue to Euclid Street; south on Euclid Street to Bolsa Avenue; east on Bolsa Avenue to Harbor Boulevard; south on Harbor Boulevard to McFadden Avenue; west on McFadden Avenue to Euclid Street; south on Euclid Street to the north Fountain Valley city limits; east, south, east, north, and east on the Fountain Valley city limits to Jackson Street; north on Jackson Street to Roberts Drive; east on Roberts Drive to Jackson Street; north on Jackson Street and its north extension to McFadden Avenue; east and southeast on Mcfadden Avenue to the Santa Ana River; north on the Santa Ana River to the west extension of Camile Street; east on the west extension of Camile Street and Camile Street to Fairview Street; south on Fairview Street to Willits Street; east on Willits Street to Sullivan Street; south on Sullivan Street to Edinger Avenue; east on Edinger Avenue to Raitt Street; north on Raitt Street to McFadden Avenue; east on McFadden Avenue to Flower Street; north

on Flower Street to the east extension of Fifth Street; west on the east extension of Fifth Street and Fifth Street to Bristol Street; north on Bristol Street to 11th Street; west on 11th Street to Raitt Street; south on Raitt Street to 10th Street; west on 10th Street to Hawley Street; south on Hawley Street to Ninth Street; west on Ninth Street to Fairview Street; southwest on Fairview Street to the Pacific Electric Railroad; northwest on the Pacific Electric Railroad to the Santa Ana River; northeast on the Santa Ana River to 17th Street; east on 17th Street to Bristol Street; north on Bristol Street to 18th Street; east on 18th Street to Baker Street; north on Baker Street and its north extension to Santiago Creek; west on Santiago Creek to the Santa Ana River; northeast on the Santa Ana River to the Santa Ana Freeway (Interstate 5); southeast on the Santa Ana Freeway to the Newport Freeway (State Highway 55); south and southwest on the Newport Freeway to Newport Boulevard; southwest on Newport Boulevard to 21st Street; southeast on 21st Street to Santa Ana Avenue; southwest on Santa Ana Avenue to 20th Street; southeast on 20th Street to Irvine Avenue; southwest on Irvine Avenue to 16th Street; northwest on 16th Street to Tustin Avenue; southwest on Tustin Avenue to the northeast Costa Mesa city limits; generally northwest on the Costa Mesa city limits Street to the Santa Ana River; south on the Santa Ana River to the shoreline of the Pacific Ocean; northwest on the shoreline of the Pacific Ocean to the point of beginning.

30271. The 71st Assembly District shall include that portion of Orange County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the Santa Ana River; north on the Santa Ana River to the south Costa Mesa city limits; generally southeast on the Costa Mesa city limits to 16th Street; southeast on 16th Street to Irvine Avenue; northeast on Irvine Avenue to 20th Street; northwest on 20th Street to Santa Ana Avenue; northeast on Santa Ana Avenue to 21st Street; northwest on 21st Street to Newport Boulevard; northeast on Newport Boulevard to the Newport Freeway (State Highway 55); northeast and north on the Newport Freeway to the Santa Ana Freeway (Interstate 5); northwest on the Santa Ana Freeway to Santiago Creek; east and northeast on Santiago Creek to the Atchison, Topeka and Santa Fe Railroad; south on the Atchison, Topeka and Santa Fe Railroad to Fairhaven Avenue; east on Fairhaven Avenue to the Newport Freeway (State Highway 55); north on the Newport Freeway to La Veta Avenue; east on La Veta Avenue to Esplanade Street; north on Esplanade Street to Spring Street; west on Spring Street to Prospect Street; north on Prospect Street to Walnut Avenue; east on Walnut Avenue to Prospect Street; north on Prospect Street to Santiago Creek; northeast on Santiago Creek to Santiago Boulevard;

southeast on Santiago Boulevard to Santiago Canyon Road; northeast and southeast on Santiago Canyon Road to Black Star Canyon Road; meandering northeast on Black Star Canyon Road to the Riverside-Orange county line; southeast on the Riverside-Orange county line to the San Diego-Orange county line; southeast and southwest on the San Diego-Orange county line to the Pacific Ocean; northwest on the Pacific Ocean to the point of beginning.

30272. The 72nd Assembly District shall include that portion of San Bernardino County bounded and described as follows:

Beginning at the intersection of the Riverside-San Bernardino county line and Armstrong Road; northeast on Armstrong Road to Locust Avenue; north on Locust Avenue to the San Bernardino Freeway (Interstate 10); west on the San Bernardino Freeway to Vineyard Avenue; south on Vineyard Avenue to "G" Street; west on "G" Street to Campus Avenue; north on Campus Avenue to the San Bernardino Freeway (Interstate 10); west on the San Bernardino Freeway to Euclid Avenue; north on Euclid Avenue to Foothill Boulevard; east on Foothill Boulevard to Cherry Avenue; north on Cherry Avenue to Devore Freeway (proposed); northeast on Devore Freeway to Summit Avenue; east on Summit Avenue to Citrus Avenue; south on Citrus Avenue to Highland Avenue; east on Highland Avenue to the Southern Pacific Railroad; northwest on the Southern Pacific Railroad to Cable Creek Channel; northeast on Cable Creek Channel and its northeast extension to Interstate 15; southeast on Interstate 15 to 16th Street; east on 16th Street to "E" Street; north on "E" Street to 16th Street; east on 16th Street to Arrowhead Avenue; south on Arrowhead Avenue to 16th Street; east on 16th Street to Mountain View Avenue; north on Mountain View Avenue to 16th Street; east on 16th Street to Waterman Avenue; north on Waterman Avenue to Highland Avenue; east on Highland Avenue to Orange Street; south on Orange Street to Pacific Street; east on Pacific Street to Palm Avenue; south on Palm Avenue to Base Line Street; east on Base Line Street to Boulder Avenue; southeast on Boulder Avenue to Orange Street; south on Orange Street to the Santa Ana River; southeast on the Santa Ana River to Church Street; south on Church Street to the Atchison, Topeka and Santa Fe Railroad; west and northwest on the Atchison, Topeka and Santa Fe Railroad to Tennessee Street; north on Tennessee Street and its north extension to the Santa Ana River; southwest on the Santa Ana River to Mountain View Avenue; south on Mountain View Avenue to Redlands Boulevard; west on Redlands Boulevard to Hunts Lane; north on Hunts Lane to the San Bernardino Freeway (Interstate 10); west on the San Bernardino Freeway to the Santa Ana

River; southwest on the Santa Ana River to La Cadena Drive; south on La Cadena Drive to the Riverside-San Bernardino county line; west, north and west on the Riverside-San Bernardino county line to the point of beginning.

30273. The 73rd Assembly District shall include that portion of San Bernardino County not included in the 6th, 49th, 28th, 35th and 72nd Assembly Districts as bounded and described in Sections 30206, 30249, 30228, 30235 and 30272 and that portion of Riverside County bounded and described as follows:

Beginning at the intersection of the Riverside-San Bernardino county line and the west boundary of the Joshua Tree National Monument; south and southeast on the boundary of the Joshua Tree National Monument to Fan Hill Road; southwest on Fan Hill Road to Thousand Palms Canyon Road; southwest on Thousand Palms Canyon Road to Ramon Road; east on Ramon Road to Washington Street; south on Washington Street to the Whitewater River; meandering northwest on the Whitewater River to the south Palm Springs city limits; west, south, west, north, west and north on the Palm Springs city limits to Alejo Road; west on Alejo Road to the east boundary of the San Bernardino National Forest; generally north, west and south on the boundary of the San Bernardino National Forest to the south boundary of T. 3 S.; west on the south boundary of T. 3 S. to the west boundary of R. 1 W.; north on the west boundary of R. 1 W. to the Riverside-San Bernardino county line; east, north and east on the Riverside-San Bernardino county line to the point of beginning.

30274. The 74th Assembly District shall include that portion of San Diego County not included in the 76th, 77th, 78th, 79th and 80th Assembly Districts as bounded and described in Sections 30276, 30277, 30278, 30279 and 30280 and that portion of Riverside County which lies southwest of the line described as follows:

Beginning at the intersection of the Riverside-San Diego county line and the west boundary of Section 34 of T. 8 S., R. 2 W.; north on the west boundary of Sections 34, 27 and 22 of T. 8 S., R. 2 W. to the southeast boundary of Temecula Valley Rancho; northeast and northwest on the boundary of Temecula Valley Rancho to the west boundary of Rancho Pauba; north and east on the boundary of Rancho Pauba to the east boundary of Section 21 of T. 7 S., R. 2 W.; north on the east boundary of Sections 21, 16 and 9 of T. 7 S., R. 2 W. to Washington Avenue; north on Washington Avenue to Rawson Road; east and north on Rawson Road to Newport Road; west on Newport Road to the south extension of Warren Road; north and northwest on the south extension of Warren Road and Warren Road to the Ramona Expressway; north on the

Ramona Expressway to Bridge Street; north on Bridge Street to the San Jacinto River; west and southwest on the San Jacinto River to Nuevo Road; west on Nuevo Road to Perris Boulevard; south on Perris Boulevard to Metz Road; east on Metz Road to Johnson Street; south on Johnson Street to Seventh Street; east on Seventh Street to Kitching Street; south on Kitching Street to Ellis Avenue; west on Ellis Avenue to the Atchison, Topeka and Santa Fe Railroad; southeast on the Atchison, Topeka and Santa Fe Railroad to the Perris Valley Storm Drain; southwest on the Perris Valley Storm Drain to the San Jacinto River; southwest on the San Jacinto River to River Road; northwest on River Road to State Highway 74; southwest on State Highway 74 to State Highway 71; northwest on State Highway 71 to Nichols Road; east on Nichols Road to El Toro Road; northwest on El Toro Road to Lindell Road; northeast on Lindell Road to El Nido Road; northeast on El Nido Road to Santa Rosa Road; northwest on Santa Rosa Road to Gavilan Road; north on Gavilan Road to Cajalco Road; west on Cajalco Road to El Sobrante Road; northwest on El Sobrante Road to Mockingbird Canyon Road; northwest on Mockingbird Canyon Road to Van Buren Boulevard; northwest on Van Buren Boulevard to the south Riverside city limits, meandering east and north on the Riverside city limits to the Escondido Freeway (U.S. Highway 395); northwest on the Escondido Freeway to the south boundary of the University of California at Riverside; north, west, south, west and north on the boundary of the University of California at Riverside to Pennsylvania Avenue; west on Pennsylvania Avenue to High Street; north on High Street to Victoria Avenue; south on Victoria Avenue to Tequesquite Arroyo; west on Tequesquite Arroyo to the Riverside Freeway (State Highway 91); northeast on the Riverside Freeway to the Southern Pacific Railroad; northwest on the Southern Pacific Railroad to Market Street; northwest on Market Street to U.S. Highway 60; northwest on U.S. Highway 60 to the Santa Ana River; southwest on the Santa Ana River to the Union Pacific Railroad (near Jurupa Hills Country Club); southeast on the Union Pacific Railroad to Mountain View Avenue; west on Mountain View Avenue to Hillside Avenue; south and southwest on Hillside Avenue to Arlington Avenue; west on Arlington Avenue to Van Buren Boulevard; south and southeast on Van Buren Boulevard to California Avenue; southwest on California Avenue to Harrison Street; south and southeast on Harrison Street to Magnolia Avenue; southwest on Magnolia Avenue to Hole Avenue; west on Hole Avenue to La Sierra Avenue; northwest on La Sierra Avenue to Cypress Avenue; southwest on Cypress Avenue and its southwest extension to its intersection with the east Norco city limits; south on the Norco city limits to the north Corona

city limits; east, south and southeast on the Corona city limits to Magnolia Avenue; southwest on Magnolia Avenue to Temescal Street; southeast on Temescal Street to Magnolia Avenue southwest on Magnolia Avenue to Circle City Drive; northwest and west on Circle City Drive to Grand Boulevard; southwest, west and northwest on Grand Boulevard to 10th Street; west on 10th Street to Smith Avenue; northwest on Smith Avenue to the Riverside Freeway (State Highway 91); west on the Riverside Freeway to the Corona Freeway (State Highway 71); west on the Corona Freeway to the Santa Ana River; meandering southwest on the Santa Ana River to the Riverside-Orange county line.

30275. The 75th Assembly District shall include all of Imperial County and that portion of Riverside County not included in the 49th, 73rd or 74th Assembly Districts as bounded and described in Sections 30249, 30273 and 30274.

30276. The 76th Assembly District shall include that portion of San Diego County bounded and described as follows:

Beginning at the intersection of the north boundary of Section 5 of T. 15 S., R 2 E. and the west boundary of Section 5 of T. 15 S., R. 2 E; south on the west boundary of Sections 5, 8, 17, 20, 29, and 32 of T. 15 S., R. 2 E. to the west boundary of Section 5 of T. 16 S., R. 2 E.; south on the west boundary of Section 5 of T. 16 S., R. 2 E. to the North Fork of the Sweetwater River; southwest on the North Fork of the Sweetwater River to the Sweetwater River; west on the Sweetwater River to Sloan Canyon Road; north on Sloan Canyon Road to Dehesa Road; west on Dehesa Road to Granite Hills Drive; south and west on Granite Hills Drive to Jamacha Road; north on Jamacha Road to Washington Avenue; west on Washington Avenue to Lincoln Avenue; south on Lincoln Avenue to Chase Avenue; west on Chase Avenue to Emerald Avenue; south on Emerald Avenue to Skyview Street; west on Skyview Street to Lemon Avenue; north on Lemon Avenue to De Land Court; west on De Land Court to Hardin Drive; north on Hardin Drive to Chase Avenue; northwest on Chase Avenue to El Cajon Boulevard; southwest on El Cajon Boulevard to Interstate 8; southwest and west on Interstate 8 to El Cajon Boulevard; southwest on El Cajon Boulevard to Spring Street; southeast on Spring Street to State Highway 94; west on State Highway 94 to Waite Drive; northwest on Waite Drive to Murray Hill Road; north on Murray Hill Road to Yale Avenue; north on Yale Avenue to University Avenue; west on University Avenue to Massachusetts Avenue; south on Massachusetts Avenue to Blackton Drive; south on Blackton Drive to Massachusetts Avenue; south on Massachusetts Avenue to Hoffman Avenue; west on Hoffman Avenue to the east San Diego city limits;

north on the San Diego city limits to the Mission Valley Freeway; west on Mission Valley Freeway to Murphy Canyon Road; north on Murphy Canyon Road to Friars Road; west on Friars Road to Mission Village Drive; northwest on Mission Village Drive to Fermi Avenue; northeast on Fermi Avenue to Marathon Drive; northwest on Marathon Drive to Angwin Place; east and north on Angwin Place to Success Avenue; west on Success Avenue to Ruffin Road; north on Ruffin Road and its north extension to Aero Drive; east on Aero Drive to the Escondido Freeway (State Highway 103); north on the Escondido Freeway to the south boundary of Naval Air Station, Miramar; generally west on said boundary to Interstate 180 (proposed); southeast on Interstate 180 (proposed) to Balboa Avenue; west and southwest on Balboa Avenue to the San Diego Freeway (Interstate 5); northwest and north on the San Diego Freeway to Gilman Drive; southeast on Gilman Drive and its southeast extension to the Atchison, Topeka and Santa Fe Railroad; northeast on the Atchison, Topeka and Santa Fe Railroad to Miramar Road; northeast and east on Miramar Road to Pomerado Road; northeast on Pomerado Road to the north boundary of Section 3 of T. 15 S., R. 2 W.; east on the north boundary of Sections 3, 2 and 1 of T. 15 S., R. 2 W. to the north boundary of Section 6 of T. 15 S., R. 1 W.; east on the south boundary of Sections 31, 32, 33, 34, 35 and 36 of T. 14 S., R. 1 W. to the north boundary of Section 6 of T. 15 S., R. 1 E.; east on the north boundary of Sections 6, 5, 4, 3, 2 and 1 of T. 15 S., R. 1 E. to the north boundary of Section 6 of T. 15 S., R. 2 E.; east on the north boundary of Section 6 of T. 15 S., R. 2 E. to the point of beginning.

30277. The 77th Assembly District shall include that portion of San Diego County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the southwest extension of Avenue Del Sol; northeast on the southwest extension of Avenue Del Sol, Avenue Del Sol and its northeast extension to the east shoreline of North Island; north, east and north on the east shoreline of North Island to the Coronado Toll Bridge (State Highway 75); east on the Coronado Toll Bridge to the north Coronado city limits; southeast on the Coronado city limits to the west extension of the north National City city limits; generally northeast on the west extension of the National City city limits and the National City city limits to Fourth Street; northeast on Fourth Street and its northeast extension to the south extension of Woodman Street; north on the south extension of Woodman Street and Woodman Street to Imperial Avenue; east on Imperial Avenue to the south extension of 69th Street; north on the south extension of 69th Street and 69th Street to San

Miguel Avenue; east on San Miguel Avenue to Cypress Street; southeast on Cypress Street to Imperial Avenue; northeast on Imperial Avenue to Palm Street; east on Palm Street to Washington Street; south on Washington Street to Alton Drive; west on Alton Drive to Skyline Drive; southeast on Skyline Drive to Canton Drive; east on Canton Drive to Washington Street; north on Washington Street to Blossom Lane; east on Blossom Lane to Sweetwater Road; north on Sweetwater Road to Tyler Street; east on Tyler Street to Bancroft Drive; north on Bancroft Drive to Rosedale Drive; east on Rosedale Drive to Helix Street; meandering south on Helix Street to Montemar Drive; meandering northeast on Montemar Drive to Austin Drive; east on Austin Drive to an unnamed creek; meandering southeast on the unnamed creek to the Sweetwater Reservoir; northeast on the Sweetwater Reservoir to the north boundary of Section 11 of T. 17 S., R. 1 W.; east on the north boundary of Section 11 of T. 17 S., R. 1 W. to the east boundary of Section 11 of T. 17 S., R. 1 W.; south on the east boundary of Sections 11, 14, 23 and 26 of T. 17 S., R. 1 W. to the south boundary of Section 25 of T. 17 S., R. 1 W.; east on the south boundary of Section 25 of T. 17 S., R. 1 W. to Upper Otay Reservoir; south on the Upper Otay Reservoir to the Otay River; south on the Otay River to the Otay Mountain Truck Trail; south and southeast on the Otay Mountain Truck Trail to the International Boundary; west on the International Boundary to the Pacific Ocean; north on the Pacific Ocean to the point of beginning.

30278. The 78th Assembly District shall include that portion of San Diego County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the southwest extension of Beryl Street, northeast on the southwest extension of Beryl Street and Beryl Street to Academy Street; northwest on a northwest extension of Academy Street in a direct line to a southwest extension of Loring Street; northeast on the southwest extension of Loring Street, Loring Street and its northeast extension to the San Diego Freeway (Interstate 5); southeast on the San Diego Freeway to Balboa Avenue; northeast on Balboa Avenue to Interstate 180 (proposed); northwest on Interstate 180 (proposed) to the south boundary of Naval Air Station, Miramar; generally east on said boundary to the Cabrillo Freeway (U.S. Highway 395); northeast on the Cabrillo Freeway to Clairemont Mesa Boulevard; east on Clairemont Mesa Boulevard to the Escondido Freeway (State Highway 103); south on the Escondido Freeway to Aero Drive; west on Aero Drive to the north extension of Ruffin Road; south on the north extension of Ruffin Road and Ruffin Road to Success Avenue; east on Success Avenue to Angwin Drive; south and

west on Angwin Drive to Marathon Drive; southeast on Marathon Drive to Fermi Avenue; southwest on Fermi Avenue to Mission Village Drive; southeast on Mission Village Drive to Friars Road; east on Friars Road to Murphy Canyon Road; south on Murphy Canyon Road to the Mission Valley Freeway (Interstate 8); east on the Mission Valley Freeway to the east San Diego city limits; south, east, south and west on the San Diego city limits to 68th Street; north on 68th Street to Amherst Street; west on Amherst Street to El Cajon Boulevard; southwest and west on El Cajon Boulevard to Arizona Street; south on Arizona Street to University Avenue; east on University Avenue to Grim Avenue; south on Grim Avenue to Upas Street; west on Upas Street to Alabama Street; north on Alabama Street to Upas Street; west on Upas Street to Park Boulevard; south on Park Boulevard to the San Diego Freeway (Interstate 5); west and northwest on the San Diego Freeway to Washington Street; northeast on Washington Street to India Street; northwest on India Street to McKee Street; northeast on McKee Street to Titus Street; northwest on Titus Street to Henry Street; southwest on Henry Street to California Street; northwest on California Street to Witherby Street; northeast on Witherby Street and its northeast extension to the Mission Valley South Canyon Wall; northeast on the Mission Valley South Canyon Wall to the Cabrillo Freeway (U.S. Highway 395); north on the Cabrillo Freeway to Artillery Drive; northwest on Artillery Drive to the north boundary of Kearny-Mesa Park; west on the north boundary of Kearny-Mesa Park to the northwest corner of Kearny-Mesa Park; southwest in a direct line from the northwest corner of Kearny-Mesa Park to Tecolote Creek; south, southwest and northwest on Tecolote Creek to the southeast extension of Littlefield Street; northwest on the southeast extension of Littlefield Street, Littlefield Street and its northwest extension to the San Diego Freeway (Interstate 5); south on the San Diego Freeway to Camino Del Rio; southwest on Camino Del Rio to Rosecrans Street; southwest on Rosecrans Street to Nimitz Boulevard; southeast on Nimitz Boulevard and its southeast extension to the west shoreline of the San Diego Bay; meandering south on the west shoreline of the San Diego Bay to the east extension of the north boundary of Fort Rosecrans Military Reservation; east on the east extension of the north boundary of Fort Rosecrans Military Reservation to Moffett Road; south, east and southeast on Moffett Road to Rogers Road; east and northeast on Rogers Road to McCain Boulevard; southeast on McCain Boulevard to Alameda Avenue; northeast on Alameda Avenue and its northeast extension to the northeast shoreline of North Island; meandering south on the northeast shoreline of North Island to the northeast extension of Avenue Del Sol,

southwest on the northeast extension of Avenue Del Sol, Avenue Del Sol and its southwest extension to the Pacific Ocean; northwest on the Pacific Ocean to the west Coronado city limits; southwest on the Coronado city limits to the east San Diego city limits; southwest on the San Diego city limits to the east shoreline of Point Loma; southwest and north on Point Loma to the Pacific Ocean; north on the Pacific Ocean to the point of beginning.

30279. The 79th Assembly District shall include that portion of San Diego County bounded and described as follows:

Beginning at the intersection of the east shoreline of North Island and the Coronado Toll Bridge (State Highway 75); southeast and east on the Coronado Toll Bridge to the east Coronado city limits; southeast on the Coronado city limits to the west extension of the north National City city limits; generally northeast on the west extension of the north National City city limits and the National City city limits to Fourth Street; northeast on Fourth Street and its northeast extension to the south extension of Woodman Street; north on the south extension of Woodman Street and Woodman Street to Imperial Avenue; east on Imperial Avenue to the south extension of 69th Street; north on the south extension of 69th Street and 69th Street to San Miguel Avenue; west and southwest on San Miguel Avenue to Federal Boulevard and its continuance as Broadway; northeast on Federal Boulevard and its continuance as Broadway to College Avenue; northwest on College Avenue to the east San Diego city limits; north on the San Diego city limits to 68th Street; north on 68th Street to Amherst Street; west, southwest, and northwest on Amherst Street to El Cajon Boulevard; southwest and west on El Cajon Boulevard to Arizona Street; south on Arizona Street to University Avenue; east on University Avenue to Grim Avenue; south on Grim Avenue to Upas Street; west on Upas Street to Alabama Street; north on Alabama Street to Upas Street; west on Upas Street to Park Boulevard; south on Park Boulevard to the San Diego Freeway (Interstate 5); west and northwest on the San Diego Freeway to Washington Street; northeast on Washington Street to India Street; northwest on India Street to McKee Street; northeast on McKee Street to Titus Street; northwest on Titus Street to Henry Street; southwest on Henry Street to California Street; northwest on California Street to Witherby Street; northeast on Witherby Street and its northeast extension to the Mission Valley South Canyon Wall; northeast on the Mission Valley South Canyon Wall to the Cabrillo Freeway (U.S. Highway 395); north on the Cabrillo Freeway to Artillery Drive; northwest on Artillery Drive to the north boundary of Kearny-Mesa Park; west on the north boundary

of Kearny-Mesa Park to the northwest corner of Kearny-Mesa Park; southwest in a direct line from the northwest corner of Kearny-Mesa Park to an intersection with Tecolote Creek; south, southwest and northwest on Tecolote Creek to the southeast extension of Littlefield Street; northwest on the southeast extension of Littlefield Street, Littlefield Street and the northwest extension of Littlefield Street to the San Diego Freeway (Interstate 5); south on the San Diego Freeway to Camino Del Rio; southwest on Camino Del Rio to Rosecrans Street; southwest on Rosecrans Street to Nimitz Boulevard; southeast on Nimitz Boulevard and its southeast extension to the west shoreline of San Diego Bay; meandering south on the shoreline of San Diego Bay to the north boundary of Fort Rosecrans Military Reservation; east on the east extension of the north boundary of Fort Rosecrans Military Reservation to Moffett Road; south, east and southeast on Moffett Road to Rogers Road; east and northeast on Rogers Road to McCain Boulevard; southeast on McCain Boulevard to Alameda Avenue; northeast on Alameda Avenue and its northeast extension to the north shoreline of North Island; southeast on the north shoreline of North Island to the point of beginning.

30280. The 80th Assembly shall include that portion of San Diego County bounded and described as follows:

Beginning at the intersection of the Pacific Ocean and the southwest extension of Beryl Street; northeast on the southwest extension of Beryl Street and Beryl Street to Academy Street; northwest on a northwest extension of Academy Street in a direct line to a southwest extension of Loring Street; northeast on the southwest extension of Loring Street, Loring Street and its northeast extension to the San Diego Freeway (Interstate 5); north on the San Diego Freeway to Gilman Drive; southeast on Gilman Drive and its southeast extension to the Atchison, Topeka and Santa Fe Railroad; northeast on the Atchison, Topeka and Santa Fe Railroad to Miramar Road; northeast and east on Miramar Road to the Escondido Freeway (Interstate 15); north on the Escondido Freeway to Pomerado Road; southeast on Pomerado Road to Highland Valley Road; east on Highland Valley Road to the south boundary of Section 4 of T. 13 S., R. 1 W.; east on the south boundary of Section 4 of T. 13 S., R. 1 W. to the east boundary of Section 4 of T. 13 S., R. 1 W.; north on the east boundary of Section 4 of T. 13 S., R. 1 W. to Highland Valley Road (County Road 3); northeast on Highland Valley Road to State Highway 78; east on State Highway 78 to Santa Ysabel Creek; east on Santa Ysabel Creek to the west boundary of the Cleveland Natonal Forest; north on the west boundary of the Cleveland National Forest to the east boundary of Rancho Guejito; southwest on the east boundary of Rancho Guejito to Guejito Road; northwest on

Guejito Road to Lake Wohlford Road; north on Lake Wohlford Road to Woods Valley Road; west on Woods Valley Road to Valley Center Road; north on Valley Center Road to the north boundary of Section 24 of T. 11 S., R. 2 W.; west on the north boundary of Sections 24, 23, 22, 21 and 20 of T. 11 S., R. 2 W. to Mountain Meadow Road; southwest on Mountain Meadow Road to Interstate 15; northwest on Interstate 15 to Gopher Canyon Road; west and northwest on Gopher Canyon Road to River Road; south on River Road to Mission Road; northwest and north on Mission Road to North River Road; west on North River Road to Via Puerta Del Sol; west and north on Via Puerta Del Sol to Olive Hill Road; north on Olive Hill Road to Burma Road; west on Burma Road to Luneta Lane; north on Luneta Lane and its north extension to the south boundary of the Fallbrook Naval Reservation; east, north, west and north on the boundary of the Fallbrook Naval Reservation to the east boundary of the Joseph H. Pendleton Naval Reservation; meandering north and northwest on the boundary of the Joseph H. Pendleton Naval Reservation to the Orange-San Diego county line; west and south on the Orange-San Diego county line to the Pacific Ocean; southeast on the Pacific Ocean to the point of beginning.

RESOLUTION CHAPTER 2

Assembly Concurrent Resolution No. 6—Relative to recess of the Legislature.

[Filed with Secretary of State December 22, 1971]

Resolved by the Assembly of the State of California, the Senate thereof concurring, That the Legislature shall recess the 1971 First Extraordinary Session on adjournment on December 20, 1971, and shall reassemble on Monday, January 3, 1972, or such earlier date as may be fixed jointly by the Senate Rules Committee and the Speaker of the Assembly.

RESOLUTION CHAPTER 3

Senate Concurrent Resolution No. 2—Relative to reapportionment.

[Filed with Secretary of State December 22, 1971]

WHEREAS, It is essential that Senate districts be reapportioned to meet the one man one vote principle; now, therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That Senate districts be reapportioned as follows:

CHAPTER 1. SENATORIAL DISTRICTS

Article 1. District Descriptions

30100. The following rules and definitions shall govern the construction of this chapter except where stated expressly to the contrary.

(1) Reference to a street, road, avenue, highway, freeway, canyon, creek, stream, river channel, canal, inlet, bay, crest of levee, crest of dam, or other natural or manmade boundary means the center line thereof.

(2) Reference to a railroad, powerline, pipeline, means the center line of the right-of-way thereof.

(3) Reference to the center line of separated roads having the same designation, the boundary shall be those considered the northerly bound and the easterly bound segments.

(4) Reference to the Pacific Ocean means the mean waterline thereof, and includes all inlets and bays and all islands within the adjacent coastal waters.

(5) Reference to a ridge line means a line connecting the highest natural projections of a hill or mountain following the points from which the surface descends in elevation on both sides.

(6) Reference to an unnamed boundary means the first such boundary encountered.

(7) Reference to city boundaries shall be as existing on the date of the 1970 U.S. Census.

30101. The Counties of Del Norte, Humboldt, Lake, Mendocino, Siskiyou, Sonoma, Trinity and that portion of Solano County lying generally westerly and southerly of the following described line:

Beginning at the intersection of the boundary common to the counties of Napa and Solano and the Southern Pacific

Railroad (in the vicinity of State Highway 29), thence southerly along the Southern Pacific Railroad to State Highway 37 (also known as Sears Point Road), thence easterly along State Highway 37 to United States Highway 40, thence southwesterly along United States Highway 40 to Blue Rock Springs Creek, thence southeasterly along Blue Rock Springs Creek and its South Branch continuation to Columbus Park Way, thence southeasterly along Columbus Park Way to the Pacific Gas and Electric Transmission Line, thence generally southerly along the Pacific Gas and Electric Transmission Line to the boundary common to the counties of Solano and Contra Costa (in the vicinity of coordinates x = 1,942,400 feet, y = 142,500 feet, California Coordinates System, Zone 2), shall constitute the First Senatorial District.

30102. The Counties of Butte, Colusa, Glenn, Napa, Shasta, Sutter, Tehama, Yuba, and

(a) That part of Solano County lying east and north of the following described line:

Beginning at the intersection of the boundary common to the counties of Napa and Solano and the Southern Pacific Railroad (in the vicinity of State Highway 29), thence southerly along the Southern Pacific Railroad to State Highway 37 (also known as Sears Point Road), thence easterly along State Highway 37 to U.S. Highway 40, thence southwesterly along U.S. Highway 40 to Blue Rock Springs Creek, thence southeasterly along Blue Rock Springs Creek and its South Branch continuation to Columbus Park Way, thence southeasterly along Columbus Park Way to the Pacific Gas and Electric Transmission Line, thence generally southerly along the Pacific Gas and Electric Transmission Line to the boundary common to the counties of Solano and Contra Costa (in the vicinity of coordinates x = 1,942,400 ft., y = 142,500 ft., California Coordinates System, Zone 2), thence easterly along the southern boundary of Solano County to Montezuma Slough, thence northerly in a meandering fashion along Montezuma Slough to Nurse Slough, thence northerly along Nurse Slough to State Highway 53, thence easterly along State Highway 53 to Denverton Road, thence northwesterly along Denverton Road to South Meridian Road, thence northerly along South Meridian Road to the southeast boundary of Travis Air Force Base, thence southwesterly along the boundary of Travis Air Force Base to Union Creek, thence southerly and southwesterly along Union Creek to Hill Slough, thence westerly and southerly along Hill Slough to Suisun Slough, thence northwesterly along Suisun Slough to Peytonia Slough, thence generally westerly along Peytonia Slough in a meandering fashion to the Southern Pacific Railroad, thence northeasterly along the Southern Pacific Railroad to Cordelia

Road, thence westerly along Cordelia Road to Pennsylvania Avenue, thence northwesterly and northerly along Pennsylvania Avenue to Travis Boulevard, thence westerly along Travis Boulevard to U.S. Highway 40, thence northeasterly along U.S. Highway 40 to Airbase Parkway, thence easterly along Airbase Parkway to the northwest boundary of Travis Air Force Base, thence easterly, northerly and easterly along the boundary of Travis Air Force Base to South Meridian Road, thence northerly along South Meridian Road to Hay Road, thence easterly along Hay Road to State Highway 113, thence southerly along State Highway 113 to Brown Road, thence easterly along Brown Road to Cache Slough, thence generally southeasterly along Cache Slough to Lookout Slough, thence generally northerly and easterly along Lookout Slough to the boundary common to the Counties of Yolo and Solano (in the vicinity of the southeast ¼, Section 36, T. 6 N., R. 2 E., M.D.B.& M.), and

(b) That portion of Yolo County lying generally westerly and northerly of the following described line:

Beginning at the intersection of County Highway 95A with the boundary common to the Counties of Yolo and Solano, thence northwesterly along County Highway 95A to Russell Boulevard, thence northwesterly along Russell Boulevard to County Highway 95S, thence northerly along County Highway 95S to County Highway 29, thence easterly along County Highway 29 to County Highway 98S, thence northerly along County Highway 98S to County Highway 27, thence easterly along County Highway 27 to Willow Slough, thence northeasterly along Willow Slough to the crest of the West Levee of the Yolo By-Pass (in the vicinity of the northwest corner, Section 32, T. 10 N., R. 3 E., M.D.B.& M.), thence southwesterly and southerly along the crest of the West Levee of the Yolo By-Pass to the Southern Pacific Railroad (in the vicinity of the line between Sections 3 and 4, T. 8 N., R. 3 E., M.D.B.& M.), thence northeasterly along the Southern Pacific Railroad to Tule Canal (in the vicinity of the line between R. 3 E., R. 4 E., M.D.B.& M.), thence southerly along Tule Canal and its southerly elongation to Toe Drain, thence northeasterly along Toe Drain and its northeasterly elongation to the crest of a levee (in the vicinity of coordinates $x = 2{,}123{,}900$ ft., $y = 333{,}700$ ft., California Coordinate System, Zone 2), thence northwesterly along the crest of the levee and its northwesterly elongation to the crest of the North Levee of the Sacramento By-Pass (in the vicinity of coordinates $x = 2{,}120{,}500$ ft., $y = 340{,}900$ ft., California Coordinate System, Zone 2), thence southwesterly along the crest of the North Levee of the Sacramento By-Pass to its continuation as the crest of the East Levee of the Yolo By-Pass, thence generally northwesterly and northerly along

the crest of the East Yolo By-Pass to the boundary common to the Counties of Sutter and Yolo, shall constitute the 2nd Senatorial District.

30103. The Counties of Alpine, Amador, Calaveras, El Dorado, Lassen, Mariposa, Modoc, Nevada, Placer, Plumas, Sierra, Stanislaus, Tuolumne, and

(a) All that portion of the County of Fresno lying generally northeasterly of the following line:

Beginning at the intersection of State Route 41 (also known as North Blackstone Avenue) with the boundary common to the Counties of Madera and Fresno, thence southerly along State Route 41 to East Perrin Road, thence easterly along East Perrin Road to the northern boundary of Woodward Park, thence generally northeasterly and easterly along the northern boundary of Woodward Park to Rice Road, thence southerly along Rice Road to Shepherd Road, thence easterly along Shepherd Road to Millbrook Avenue, thence southerly along Millbrook Avenue to Herndon Avenue, thence easterly along Herndon Avenue to State Route 168 (also known as Toll House Road), thence northeasterly and easterly along State Route 168 to the Friant Kern Canal, thence generally southeasterly along Friant Kern Canal to American Avenue (in the vicinity of the line between Section 35, T. 14 S. and Section 2, T. 15 S., R. 24 E., M.D.B.&M.), thence easterly along American Avenue to an angle point on the boundary common to the Counties of Fresno and Tulare, and

(b) That portion of the County of Madera lying generally northeasterly of the following line:

Beginning at the intersection of the bottom of an unnamed canyon with the boundary common to the Counties of Madera and Fresno (in the vicinity of Millerton Lake in the southwest corner of Section 5, T. 11 S., R. 21 E., M.D.B.&M.), thence generally northwesterly along the unnamed canyon to the Madera Canal (in the vicinity of the southeast ¼, Section 6, T. 10 S., R. 21 E., M.D.B.&M.), thence generally northwesterly along the Madera Canal to Ash Slough (in the vicinity of the southwest ¼ of Section 9, T. 9 S., R. 17 E., M.D.B.&M.), thence northeasterly along Ash Slough and its northeasterly elongation to the boundary common to the Counties of Merced and Madera, and

(c) All that portion of Merced County lying generally easterly and northerly of the following described line:

Beginning at the intersection of State Route 25 (also known as Hornitos Road) with the boundary common to the Counties of Merced and Mariposa, thence southwesterly along State Route 25 to State Route 177 (also known as Snelling Road), thence northeasterly along State Route 177 to Main Canal (in the vicinity of the southwest ¼ of Section 17, T. 6 S., R. 14 E., M.D.B.&M.), thence generally westerly along

Main Canal to Henderson Lateral Canal (in the vicinity of the northwest ¼ of Section 18, T. 6 S., R. 14 E., M.D.B.&M.), thence generally westerly and southwesterly along Henderson Lateral Canal to State Route S 217) (also known as Franklin Road (in the vicinity of the northwest ¼ of Section 10, T. 7 S., R. 13 E., M.D.B.&M.), thence southerly along State Route S 217 to County Road J 7 (also known as Santa Fe Road), thence northwesterly along County Road J 7 to Livingston Canal (in the vicinity of the line between Sections 4 and 5, T. 7 S., R. 13 E., M.D.B.&M.), thence generally westerly along Livingston Canal to State Route S 233 (also known as Buhach Road) in the vicinity of the line between Sections 5 and 6, T. 7 S., R. 13 E., M.D.B.&M.), thence south along State Route S 233 to State Route 140, thence westerly along State Route 140 to McSwain Road, thence generally westerly along McSwain Road to Cressey Way, thence northerly along Cressey Way to Atwater Jordan Road, thence westerly along Atwater Jordan Road to Arena Way, thence northerly along Arena Way to U.S. Route 99, thence southeasterly along U.S. Route 99 to Cressey Way, thence northerly along Cressey Way to Meadow Drive, thence southeasterly along Meadow Drive to Santa Fe Drive, thence northerly along Santa Fe Drive to the Merced River, thence northeasterly along the Merced River to State Route 27 (also known as Oakdale Road), thence northwesterly along State Route 27 to the boundary common to the Counties of Stanislaus and Merced and

(d) That portion of Sacramento County bounded and described as follows:

Beginning at the intersection of the boundary common to the Counties of Placer and Sacramento and Old Auburn Road, thence in a clockwise direction along the boundary of the County of Sacramento to White Rock Road (along the boundary common to the Counties of El Dorado and Sacramento), thence southwesterly along White Rock Road to Prairie City Road, thence northerly and northwesterly along Prairie City Road to U.S. Route 50, thence westerly along U.S. Route 50 to the easterly shoreline of the south protruding bay of Lake Natomas, thence northerly along the easterly shoreline of the bay and its northerly elongation to the center of the channel of Lake Natomas, thence southwesterly along the center of the channel of Lake Natomas to Nimbus Dam, thence in a direct line to the point of intersection of Hazel Avenue and the American River, thence westerly along the American River to the southerly elongation of Kenneth Avenue, thence northerly along the southerly elongation of Kenneth Avenue and Kenneth Avenue to Greenback Lane, thence easterly along Greenback Lane to Almond Avenue, thence northerly along Almond

Avenue to Oak Avenue, thence westerly along Oak Avenue to Wachtel Way, thence northerly along Wachtel Way to Old Auburn Road, thence northeasterly along Old Auburn Road to the boundary common to the Counties of Placer and Sacramento, the point of beginning, shall constitute the 3rd Senatorial District.

30104. San Joaquin County and (a) that portion of the County of Sacramento lying generally southerly of the following described line:

Beginning at the intersection of White Rock Road with the boundary common to the Counties of Sacramento and El Dorado, thence southwesterly along White Rock Road to Prairie City Road, thence northerly and northwesterly along Prairie City Road to U.S. Route 50, thence westerly along U.S. Route 50 to the easterly shoreline of the south protruding bay of Lake Natomas, thence northerly along the easterly shoreline of the bay and its northerly elongation to the center of the channel of Lake Natomas, thence southwesterly along the center of the channel of Lake Natomas to Nimbus Dam, thence in a direct line to the point of intersection of Hazel Avenue and the American River, thence meandering generally westerly along the American River to the southerly elongation of San Juan Avenue, thence northerly along the southerly elongation of San Juan Avenue and San Juan Avenue to Fair Oaks Boulevard, thence west along Fair Oaks Boulevard to Manzanita Avenue, thence northerly along Manzanita Avenue to Madison Avenue, thence westerly along Madison Avenue to Arcade Creek (in the vicinity of the intersection of Spruce Avenue and Madison Avenue), thence southwesterly along Arcade Creek to Winding Way (in the vicinity of a point midway between College Oak Drive and Walnut Avenue), thence southwesterly along Winding Way to College Oak Drive, thence southerly along College Oak Drive to Arcade Creek, thence westerly along Arcade Creek to Auburn Boulevard (in the vicinity of the intersection of Winding Way and Auburn Boulevard), thence southwesterly along Auburn Boulevard to Howe Avenue, thence southerly along Howe Avenue to El Camino Avenue, thence easterly along El Camino Avenue to Eastern Avenue, thence south along Eastern Avenue to Fair Oaks Boulevard, thence southwesterly along Fair Oaks Boulevard to Estates Drive, thence southeasterly along Estates Drive and its southeasterly elongation to the American River, thence southwesterly and northwesterly along the American River to Fair Oaks Boulevard, thence southwesterly along Fair Oaks Boulevard to 'H' Street, thence westerly along 'H' Street to the Southern Pacific Railroad, thence southeasterly along the Southern Pacific Railroad to Power Inn Road, thence southerly along Power Inn Road to Elder Creek Road, thence west along

Elder Creek Road to Stockton Boulevard, thence southeasterly along Stockton Boulevard to Florin Road, thence westerly along Florin Road to U.S. Route 99, thence southeasterly along U.S. Route 99 to Mack Road, thence westerly along Mack Road to Franklin Boulevard, thence southerly along Franklin Boulevard to the boundary of the City of Sacramento as existing on November 1, 1971 (in the vicinity of coordinates x = 2,155,800 ft., y = 288,200 ft, California Coordinate System, Zone 2), thence westerly along the boundary of the City of Sacramento to a point on the boundary common to the City of Sacramento and the boundary common to the Counties of Yolo and Sacramento (in the channel of the Sacramento River), and

(b) That portion of Solano County lying generally east and south of the following described line:

Beginning at the intersection of Montezuma Slough and the boundary common to the Counties of Solano and Contra Costa, thence northerly in a meandering fashion along Montezuma Slough to Nurse Slough, thence northerly along Nurse Slough to State Highway 53, thence easterly along State Highway 53 to Denverton Road, thence northwesterly along Denverton Road to South Meridian Road, thence northerly along South Meridian Road to the southeast boundary of Travis Air Force Base, thence southwesterly along the boundary of Travis Air Force Base to Union Creek, thence southerly and southwesterly along Union Creek to Hill Slough, thence westerly and southerly along Hill Slough to Suisun Slough, thence northwesterly along Suisun Slough to Peytonia Slough, thence generally westerly along Peytonia Slough in a meandering fashion to the Southern Pacific Railroad, thence northeasterly along the Southern Pacific Railroad to Cordelia Road, thence westerly along Cordelia Road to Pennsylvania Avenue, thence northwesterly and northerly along Pennsylvania Avenue to Travis Boulevard, thence westerly along Travis Boulevard to U.S. Highway 40, thence northeasterly along U.S. Highway 40 to Airbase Parkway, thence easterly along Airbase Parkway to the northwest boundary of Travis Air Force Base, thence easterly, northerly and easterly along the boundary of Travis Air Force Base to South Meridian Road, thence northerly along South Meridian Road to Hay Road, thence easterly along Hay Road to State Highway 113, thence southerly along State Highway 113 to Brown Road, thence easterly along Brown Road to Cache Slough, thence generally southeasterly along Cache Slough to Lookout Slough, thence generally northerly and easterly along Lookout Slough to the boundary common to the Counties of Yolo and Solano (in the vicinity of the Southeast ¼ of Section 36, T. 6 N., R. 2 E., M.D.B.&M.), thence easterly along the Solano County boundary to the boundary

of the County of Sacramento shall constitute the 4th Senatorial District.

30105. That portion of Sacramento County bounded and described as follows:

Beginning at the point on the boundary common to the Counties of Sacramento, Yolo and Sutter, thence easterly along the boundary of the County of Sacramento to Old Auburn Road, thence southwesterly along Old Auburn Road to Wachtel Way, thence south along Wachtel Way to Oak Avenue, thence easterly along Oak Avenue to Almond Avenue, thence south along Almond Avenue to Greenback Lane, thence west along Greenback Lane to Kenneth Avenue, thence south along Kenneth Avenue and its southerly elongation to the American River, thence meandering generally westerly along the American River to the southerly elongation of San Juan Avenue, thence northerly along the southerly elongation of San Juan Avenue and San Juan Avenue to Fair Oaks Boulevard, thence west along Fair Oaks Boulevard to Manzanita Avenue, thence northerly along Manzanita Avenue to Madison Avenue, thence westerly along Madison Avenue to Arcade Creek (in the vicinity of the intersection of Spruce Avenue and Madison Avenue), thence southwesterly along Arcade Creek to Winding Way (in the vicinity of a point midway between College Oak Drive and Walnut Avenue), thence southwesterly along Winding Way to College Oak Drive, thence southerly along College Oak Drive to Arcade Creek, thence westerly along Arcade Creek to Auburn Boulevard (in the vicinity of the intersection of Winding Way and Auburn Boulevard), thence southwesterly along Auburn Boulevard to Howe Avenue, thence southerly along Howe Avenue to El Camino Avenue, thence easterly along El Camino Avenue to Eastern Avenue, thence south along Eastern Avenue to Fair Oaks Boulevard, thence southwesterly along Fair Oaks Boulevard to Estates Drive, thence southeasterly along Estates Drive and its southeasterly elongation to the American River, thence southwesterly and northwesterly along the American River to Fair Oaks Boulevard, thence southwesterly along Fair Oaks Boulevard to 'H' Street, thence westerly along 'H' Street to the Southern Pacific Railroad, thence southeasterly along the Southern Pacific Railroad to Power Inn Road, thence southerly along Power Inn Road to Elder Creek Road, thence west along Elder Creek Road to Stockton Boulevard, thence southeasterly along Stockton Boulevard to Florin Road, thence westerly along Florin Road to U.S. Route 99, thence southeasterly along U.S. Route 99 to Mack Road, thence westerly along Mack Road to Franklin Boulevard, thence southerly along Franklin Boulevard to the boundary of the City of Sacramento as existing on November

1, 1971 (in the vicinity of coordinates x = 2,155,800 ft., y = 288,200 ft., California Coordinate System, Zone 2), thence westerly along the boundary of the City of Sacramento to a point on the boundary common to the City of Sacramento and the boundary common to the Counties of Yolo and Sacramento (in the channel of the Sacramento River), thence in a clockwise direction along the boundary of the County of Sacramento to a point on the boundary common to the Counties of Sacramento, Yolo and Sutter, the point of beginning, and

That portion of Yolo County bounded and described as follows:

Beginning at the intersection of County Highway 95A with the boundary common to the Counties of Yolo and Solano, thence northwesterly along County Highway 95A to Russell Boulevard, thence northwesterly along Russell Boulevard to County Highway 95S, thence northerly along County Highway 95S to County Highway 29, thence easterly along County Highway 29 to County Highway 98S, thence northerly along County Highway 98S to County Highway 27, thence easterly along County Highway 27 to Willow Slough, thence northeasterly along Willow Slough to the crest of the West Levee of the Yolo By-Pass (in the vicinity of the northwest corner, Section 32, T. 10 N., R. 3 E., M.D.B.&M.), thence southeasterly and southerly along the crest of the West Levee of the Yolo By-Pass to the Southern Pacific Railroad (in the vicinity of the line between Sections 3 and 4, T. 8 N., R. 3 E., M.D.B.&M.), thence northeasterly along the Southern Pacific Railroad to Tule Canal (in the vicinity of the line between R. 3 E. and R. 4 E., M.D.B.&M.), thence southerly along Tule Canal and its southerly elongation to Toe Drain, thence northeasterly along Toe Drain and its northeasterly elongation to the crest of a levee (in the vicinity of Coordinates x = 2,123,900 ft., y = 333,700 ft., California Coordinate System, Zone 2,) thence northwesterly along the crest of the levee and its northwesterly elongation to the crest of the North Levee of the Sacramento By-Pass (in the vicinity of Coordinates x = 2,120,500 ft., y = 340,900 ft, California Coordinate System, Zone 2), thence southwesterly along the crest of the North Levee of the Sacramento By-Pass to its continuation as the crest of the East Levee of the Yolo By-Pass, thence northwesterly along the crest of the East Levee of the Yolo By-Pass to the boundary common to the Counties of Sutter and Yolo, thence in a clockwise direction along the boundary of the County of Yolo to County Highway 95A (along the boundary common to the Counties of Yolo and Solano), the point of beginning, shall constitute the 5th Senatorial District.

30106. That portion of San Mateo County bounded and

described as follows:

Beginning at the boundary common to the Counties of San Mateo and San Francisco at its intersection with the shoreline of the Pacific Ocean, thence easterly along the boundary common to the Counties of San Mateo and San Francisco to State Route 101 (also known as Bayshore Freeway), thence southerly and southwesterly along State Route 101 to the south boundary of the City of Brisbane (as it existed on December 1, 1969), thence westerly along the boundary of the City of Brisbane and the westerly elongation of the boundary of the City of Brisbane to Airport Boulevard (in the vicinity of Randolph Avenue), thence southerly along Airport Boulevard to the Southern Pacific Railroad Spur, thence easterly along the Southern Pacific Railroad Spur to State Route 101 (also known as Bayshore Freeway), thence southerly along State Route 101 to the boundary of the City of South San Francisco (as it existed on December 1, 1969), thence westerly along the boundary of the City of South San Francisco to the boundary of the City of San Bruno (as it existed on December 1, 1969), thence southerly along the boundary of the City of San Bruno to the boundary of the City of Millbrae (as it existed on December 1, 1969), thence southeasterly along the boundary of the City of Millbrae to the boundary common to the Cities of Burlingame and Millbrae, thence southwesterly along the boundary common to the Cities of Burlingame and Millbrae to Magnolia Avenue, thence northwesterly along Magnolia Avenue to Millbrae Avenue, thence southwesterly along Millbrae Avenue and the southwesterly elongation of Millbrae Avenue to the west boundary of the City of Millbrae (as it existed on December 1, 1969) (in the vicinity of State Route 280, Junipero Serra Freeway), thence southeasterly along the boundary of the City of Millbrae to the boundary of the City of Burlingame (as it existed on December 1, 1969), thence southeasterly and easterly along the boundary of the City of Burlingame to the boundary of the City of Hillsborough (as it existed on December 1, 1969), thence southeasterly, easterly and northeasterly along the boundary of the City of Hillsborough to the northerly elongation of Polhemus Road, thence southerly along the northerly elongation of Polhemus Road, Polhemus Road and the southerly elongation of Polhemus Road to State Route 92 (also known as J. Arthur Younger Freeway) (in the vicinity of the San Mateo County Public Library), thence northeasterly along State Route 92 to Ralston Avenue, thence easterly along Ralston Avenue to the boundary of the City of Belmont (as it existed on December 1, 1969), thence generally northeasterly along the boundary of the City of Belmont to El Camino Real, thence northwesterly along El Camino Real to 28th Avenue, thence

southwesterly along 28th Avenue to Alameda De Las Pulgas, thence northwesterly along Alameda De Las Pulgas to Hobart Avenue, thence northeasterly along Hobart Avenue to Edinburgh Street, thence northwesterly along Edinburgh Street to Hobart Avenue, thence northeasterly along Hobart Avenue to Maple Street, thence northwesterly along Maple Street to Hobart Avenue, thence northeasterly along Hobart Avenue to El Camino Real, thence northwesterly along El Camino Real to 10th Avenue, thence northeasterly along 10th Avenue and the northeasterly elongation of 10th Avenue to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to 9th Avenue, thence southwesterly along 9th Avenue to Laurel Avenue, thence northwesterly along Laurel Avenue to 5th Avenue, thence southwesterly along 5th Avenue to El Camino Real, thence northwesterly along El Camino Real to Tilton Avenue, thence northeasterly along Tilton Avenue to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to the boundary common to the City of San Mateo (as it existed on December 1, 1969) and the City of Burlingame (in the vicinity of Peninsular Avenue), thence northeasterly, northwesterly and northerly along the boundary of the City of San Mateo to the shoreline of San Francisco Bay at the west boundary of Coyote Point County Park, thence north along the boundary common to the Cities of San Mateo and Burlingame and the northerly elongation of said boundary to the southern boundary of the City of South San Francisco (as it existed on October 1, 1969), thence easterly along the southern boundary of the City of South San Francisco to the boundary common to Alameda and San Mateo Counties, thence southeasterly along the boundary common to the Counties of San Mateo and Alameda to the boundary of the County of Santa Clara, thence southwesterly along the boundary common to the Counties of San Mateo and Santa Clara to the southerly elongation of Menalto Avenue, thence northerly along said elongation, Menalto Avenue and the northerly elongation of Menalto Avenue to U.S. Highway 101 (also known as Bayshore Freeway), thence northwesterly along U.S. Highway 101 to Willow Road, thence southerly along Willow Road to First Street, thence northwesterly along First Street to 'E' Avenue, thence northerly along 'E' Avenue to Bay Road, thence westerly along Bay Road to the boundary of the City of Atherton, thence generally in a westerly and southwesterly direction along the boundary of the City of Atherton (as it existed on April 16, 1970), to Horgan Avenue, thence northwesterly along Horgan Avenue to State Highway 114 (also known as Woodside Road), thence southwesterly along State Highway 114 to Massachusetts Avenue, thence westerly along

Massachusetts Avenue to Virginia Avenue, thence northwesterly along Virginia Avenue to Redwood Avenue, thence southwesterly along Redwood Avenue to Fairview Avenue, thence northwesterly along Fairview Avenue to Roosevelt Avenue, thence northeasterly along Roosevelt Avenue to Taft Street, thence northwesterly along Taft Street to Vera Avenue, thence northeasterly along Vera Avenue to Ruby Street, thence northwesterly along Ruby Street to Jefferson Avenue, thence northeasterly along Jefferson Avenue to Fulton Street, thence northwesterly along Fulton Street to Harrison Avenue, thence southwesterly along Harrison Avenue to Grand Street, thence northwesterly along Grand Street to James Street, thence northeasterly along James Street to El Camino Real, thence northwesterly along El Camino Real to Broadway, thence westerly along Broadway to Arch Street, thence northwesterly along Arch Street to Whipple Avenue, thence northeasterly along Whipple Avenue to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to the boundary common to the Cities of Redwood City and San Carlos, thence meandering southwesterly, northwesterly and southwesterly along the boundary of the City of Redwood City to Edgewood Road (in the vicinity of Yorkshire Lane), thence southwesterly along Edgewood Road to Canada Road, thence southeasterly along Canada Road to Woodside Road, thence easterly along Woodside Road to Whiskey Hill Road, thence southeasterly along Whiskey Hill Road to the boundary of the City of Woodside at Sand Hill Road, thence meandering in a generally southerly and southeasterly direction along the boundary of the City of Woodside to its intersection with the boundary common to the Count of Woodside and Portola Valley, thence meandering in a generally southerly, northwesterly and southwesterly direction along the boundary common to the Cities of Woodside and Portola Valley to State Highway 5 (also known as Skyline Boulevard), thence southeasterly along State Highway 5 to the boundary common to the Counties of Santa Clara and San Mateo, thence generally southeasterly along the boundary common to the Counties of San Mateo and Santa Clara to the boundary common to the Counties of San Mateo and Santa Cruz, thence southerly and westerly along the boundary common to the Counties of San Mateo and Santa Cruz to the shoreline of the Pacific Ocean, thence northerly along the shoreline of the Pacific Ocean to the boundary common to the Counties of San Mateo and San Francisco, the point of beginning, and

That portion of Santa Clara County bounded and described as follows:

Beginning at the point common to the boundaries of the

Counties of San Mateo, Santa Clara and Alameda (in San Francisco Bay), thence southeasterly along the boundary common to the Counties of Santa Clara and Alameda to the western boundary of the City of Sunnyvale, thence southerly and easterly along the boundary of the City of Sunnyvale to the northerly elongation of Moffett Boulevard, thence southerly, westerly and southerly along the elongation of Moffett Boulevard and its southerly elongation to U.S. Highway 101 (also known as Bayshore Freeway), thence northwesterly along Bayshore Freeway to Stevens Creek Freeway (State Highway 85), thence southerly along Stevens Creek Freeway to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to Adobe Creek, thence southwesterly along Adobe Creek to an aquaduct at the north side of Alta Mesa Cemetery, thence westerly along said aquaduct to to Arastradero Road, thence southwesterly and westerly along Arastradero Road to Page Mill Road, thence southerly along Page Mill Road to Arastradero Road, thence meandering in a generally southwesterly direction to the boundary common to the Counties of San Mateo and Santa Clara, thence generally northeasterly along the boundary common to the Counties of San Mateo and Santa Clara to a point common to the boundaries of the Counties of San Mateo, Santa Clara and Alameda, the point of beginning, shall constitute the 6th Senatorial District.

30107. That portion of Contra Costa County north and west of the line described as follows:

Beginning at the boundary common to the Counties of Contra Costa and Alameda at its intersection with a power transmission line (in the vicinity of Coordinates x = 1,543,000 feet, y = 491,100 feet, California Coordinate System, Zone 3), thence northeasterly along the power transmission line to West Branch Creek, thence easterly along West Branch Creek to Dolores Way, thence easterly along Dolores Way to Donna Maria Way, thence southeasterly along Donna Maria Way to El Camino Moraga, thence northeasterly along El Camino Moraga to Moraga Way, thence northerly along Moraga Way to Hall Drive, thence northerly along Hall Drive to Rheem Boulevard, thence southeasterly along Rheem Boulevard to the Pacific Gas & Electric Power Line (in the vicinity of Coordinates x = 1,528,600 feet, y = 500,900 feet, California Coordinate System, Zone 3), thence northeasterly along the Pacific Gas & Electric Power Line to Moraga Road, thence southerly along Moraga Road to the Pacific Gas & Electric Power Line (in the vicinity of Coordinates x = 1,533,300 feet, y = 500,200 feet, California Coordinate System, Zone 3), thence southeasterly along the Pacific Gas & Electric Power Line to the boundary of the City of Walnut

Creek, thence southeasterly along the boundary of the City of Walnut Creek to Las Trampas Ridge, thence southerly along Las Trampas Ridge to an unnamed creek branch (in the vicinity of the northwest ¼, Section 23, T. 1 S., R. 2 W., M.D.B.&M.), thence generally northeasterly along the unnamed creek branch to San Ramon Creek, thence northwesterly along San Ramon Creek to the northeastern elongation of La Serena Avenue, thence northeasterly along La Serena Avenue to Interstate 680, thence northerly along Interstate 680 to Stone Valley Road, thence easterly and southeasterly along Stone Valley Road to Green Valley Road, thence northerly along Green Valley Road to Emmons Canyon Road, thence meandering northeasterly and southeasterly along Emmons Canyon Road to Mt. Diablo Scenic Road, thence meandering easterly and northwesterly along Mt. Diablo Scenic Road and its continuation as North Gate Road to Oakgrove Road, thence northwesterly along Oakgrove Road to Ygnacio Valley Road, thence northeasterly along Ygnacio Valley Road to Kirker Pass Road, thence northeasterly along Kirker Pass Road to Railroad Avenue, thence northerly along Railroad Avenue to State Highways 4 and 24, thence southeasterly along State Highways 4 and 24 to the boundary of the City of Antioch, thence southerly and easterly along the boundary of the City of Antioch to the Contra Costa Canal, thence southeasterly along the Contra Costa Canal to Somersville Road, thence southwesterly along Somersville Road to Paso Corto, thence generally easterly along Paso Corto to Contra Costa Canal, thence generally easterly along Contra Costa Canal to Neroly Road, thence northwesterly and northerly along Neroly Road to State Highway 24 (also known as Bridgehead Road), thence northerly along State Highway 24 to the boundary common to the Counties of Contra Costa and Sacramento, shall constitute the 7th Senatorial District.

30108. That portion of Alameda County lying westerly of the following described line:

Beginning at the intersection of the boundary common to the Counties of Alameda and Santa Clara and the City of Fremont (in the vicinity of the South ½, Section 21, T. 5 S., R. 1 E., M.D.B.&M.), thence generally northerly along the easterly boundary of Fremont to its intersection with Niles Canyon Road, thence northeasterly and southeasterly along Niles Canyon Road to the southern elongation of Sunol Ridge Trail (in the vicinity of Coordinates x = 1,595,600 feet, y = 401,500 feet, California Coordinate System, Zone 2), thence northerly along the southern elongation of Sunol Ridge Trail to Sunol Ridge Trail, thence generally northerly and northwesterly in a meandering fashion along Sunol Ridge Trail to Cowing Road, thence northwesterly along Cowing

Road to Palo Verde Road, thence northeasterly along Palo Verde Road to Eden Canyon Road, thence northerly and northeasterly along Eden Canyon Road to Hollis Canyon Road, thence easterly and northeasterly along Hollis Canyon Road to its intersection with the boundary common to the Counties of Contra Costa and Alameda, shall constitute the 8th Senatorial District.

30109. All that portion of the County of San Francisco bounded and described as follows:

Beginning at a point on the shore line of San Francisco Bay at its intersection with the northerly elongation of the center line of Leavenworth Street (in the vicinity of Fisherman's Wharf), thence southerly along the northerly prolongation of Leavenworth Street to Green Street, thence westerly along Green Street to Van Ness Avenue, thence southerly along Van Ness Avenue to California Street, thence westerly along California Street to Laguna Street, thence northerly along Laguna Street to Clay Street, thence westerly along Clay Street to Lyon Street, thence southerly along Lyon Street to California Street, thence westerly along California Street to Presidio Avenue, thence southerly along Presidio Avenue to Masonic Avenue, thence southwesterly and southerly along Masonic Avenue to Geary Boulevard, thence westerly along Geary Boulevard to Parker Avenue, thence southerly along Parker Avenue to Turk Street, thence westerly along Turk Street to Willard Street, thence southerly along Willard Street to Golden Gate Avenue, thence westerly along Golden Gate Avenue to Arguello Boulevard, thence northerly along Arguello Boulevard to Geary Boulevard, thence westerly along Geary Boulevard to State Highway Route 1 (Park Presidio Boulevard), thence southerly along State Highway Route 1 to Fulton Street, thence westerly along Fulton Street to the northerly prolongation of 26th Avenue, thence southerly across Golden Gate Park along the northerly prolongation and the center line of 26th Avenue to Irving Street, thence easterly along Irving Street to State Highway Route 1 (19th Avenue), thence southerly along State Highway Route 1 to Kirkham Street, thence easterly along Kirkham Street to 12th Avenue, thence southerly along 12th Avenue to Noriega Street, thence southeasterly along Noriega Street to Selma Way, thence southerly along Selma Way to Ortega Street, thence southeasterly and easterly along Ortega Street and its easterly prolongation to 7th Avenue, thence southerly along 7th Avenue to Laguna Honda Boulevard, thence southeasterly along Laguna Honda Boulevard to Dewey Boulevard. thence southwesterly along Dewey Boulevard to Pacheco Street, thence northerly along Pacheco Street to Castenada Avenue, thence southwesterly along Castenada Avenue to Montalvo Avenue, thence southeasterly

along Montalvo Avenue to Dorantes Avenue, thence westerly along Dorantes Avenue to Cortes Avenue, thence southerly along Cortes Avenue to Taraval Street, thence easterly along Taraval Street to Kensington Way, thence southeasterly along Kensington Way to Portola Drive, thence westerly along Portola Drive to Vicente Street, thence northwesterly along Vicente Street to West Portal Avenue, thence southwesterly along West Portal Avenue to Saint Francis Boulevard, thence easterly along Saint Francis Boulevard to Santa Clara Avenue, thence southeasterly along Santa Clara Avenue and its continuation as Monterey Boulevard to North Gate Drive-El Verano Way, thence northeasterly along North Gate Drive-El Verano Way to Fernwood Drive, thence northerly along Fernwood Drive to Brentwood Avenue, thence northeasterly along Brentwood Avenue to Yerba Buena Avenue, thence northwesterly along Yerba Buena Avenue to Hazelwood Avenue, thence easterly along Hazelwood Avenue to Brentwood Avenue, thence southeasterly along Brentwood Avenue to Mangels Avenue, thence easterly along Mangels Avenue to Ridgewood Avenue, thence southerly along Ridgewood Avenue to Flood Avenue, thence westerly along Flood Avenue to Hazelwood Avenue, thence southerly along Hazelwood Avenue to Judson Avenue, thence easterly along Judson Avenue to Phelan Avenue, thence southerly along Phelan Avenue to Ocean Avenue, thence northwesterly along Ocean Avenue to Ashton Avenue, thence southerly along Ashton Avenue to Holloway Avenue, thence westerly along Holloway Avenue to Junipero Serra Boulevard, thence southerly along Junipero Serra Boulevard to State Route 1 (Junipero Serra Boulevard), thence southerly along State Route 1 to the boundary common to the Counties of San Francisco and San Mateo, thence easterly along the boundary common to the Counties of San Francisco and San Mateo to its intersection with the shoreline of San Francisco Bay (near Candlestick Point), thence generally northeasterly, northerly and continuing northwesterly along the shore line of San Francisco Bay (including all wharfs and piers) to its intersection with the entrance to China Basin south of Pier 46, thence westerly passing through the center of China Basin to the southerly prolongation of the center line of The Embarcadero, thence northerly and northwesterly along the southerly prolongation of the center line and the center line of The Embarcadero to Howard Street, thence northeasterly along Howard Street and the northeasterly prolongation of Howard Street passing between piers 14 and 16, to its intersection with the shore line of San Francisco Bay, thence northwesterly and westerly along the shore line of San Francisco Bay (including all wharfs and piers) to its intersection with the northerly elongation of the center line

of Leavenworth Street (in the vicinity of Fisherman's Wharf), the point of beginning, shall constitute the 9th Senatorial District.

30110. The County of Marin and

(a) All that portion of the County of San Francisco bounded and described as follows:

Beginning at a point on the shoreline of San Francisco Bay at its intersection with the northerly prolongation of Leavenworth Street (in the vicinity of Fisherman's Wharf), thence southerly along the northerly prolongation of Leavenworth Street and Leavenworth Street to Green Street; thence westerly along Green Street to Van Ness Avenue, thence southerly along Van Ness Avenue to California Street, thence westerly along California Street to Laguna Street, thence northerly along Laguna Street to Clay Street, thence westerly along Clay Street to Lyon Street, thence southerly along Lyon Street to California Street, thence westerly along California Street to Presidio Avenue, thence southerly along Presidio Avenue to Masonic Avenue, thence southwesterly and southerly along Masonic Avenue to Geary Boulevard, thence westerly along Geary Boulevard to Parker Avenue, thence southerly along Parker Avenue to Turk Street, thence westerly along Turk Street to Willard Street, thence southerly along Willard Street to Golden Gate Avenue, thence westerly along Golden Gate Avenue to Arguello Boulevard, thence northerly along Arguello Boulevard to Geary Boulevard, thence westerly along Geary Boulevard to State Highway Route 1 (Park Presidio Boulevard), thence southerly along State Highway Route 1 to Fulton Street, thence westerly along Fulton Street to the northerly prolongation of 26th Avenue, thence southerly across Golden Gate Park along the northerly prolongation and the center line of 26th Avenue to Irving Street, thence easterly along Irving Street to State Highway Route 1 (19th Avenue), thence southerly along State Highway Route 1 to Kirkham Street, thence easterly along Kirkham Street to 12th Avenue, thence southerly along 12th Avenue to Noriega Street, thence southeasterly along Noriega Street to Selma Way; thence southerly along Selma Way to Ortega Street, thence southeasterly and easterly along Ortega Street and its easterly prolongation to 7th Avenue, thence southerly along 7th Avenue to Laguna Honda Boulevard, thence southeasterly along Laguna Honda Boulevard to Dewey Boulevard, thence southwesterly along Dewey Boulevard to Pacheco Street, thence northerly along Pacheco Street to Castenada Avenue, thence southwesterly along Castenada Avenue to Montalvo Avenue, thence southeasterly along Montalvo Avenue to Dorantes Avenue, thence westerly along Dorantes Avenue to Cortes Avenue, thence southerly along Cortes Avenue to Taraval Street,

thence easterly along Taraval Street to Kensington Way, thence southeasterly along Kensington Way to Portola Drive, thence westerly along Portola Drive to Vicente Street, thence northwesterly along Vicente Street to West Portal Avenue, thence southwesterly along West Portal Avenue to Saint Francis Boulevard, thence easterly along Saint Francis Boulevard to Santa Clara Avenue, thence southeasterly along Santa Clara Avenue and its continuation as Monterey Boulevard to North Gate Drive-El Verano Way, thence northeasterly along North Gate Drive-El Verano Way to Fernwood Drive, thence northerly along Fernwood Drive to Brentwood Avenue, thence northeasterly along Brentwood Avenue to Yerba Buena Avenue, thence northwesterly along Yerba Buena Avenue to Hazelwood Avenue, thence easterly along Hazelwood Avenue to Brentwood Avenue, thence southeasterly along Brentwood Avenue to Mangels Avenue, thence easterly along Mangels Avenue to Ridgewood Avenue, thence southerly along Ridgewood Avenue to Flood Avenue, thence westerly along Flood Avenue to Hazelwood Avenue, thence southerly along Hazelwood Avenue to Judson Avenue, thence easterly along Judson Avenue to Phelan Avenue, thence southerly along Phelan Avenue to Ocean Avenue, thence northwesterly along Ocean Avenue to Ashton Avenue, thence southerly along Ashton Avenue to Holloway Avenue, thence westerly along Holloway Avenue to Junipero Serra Boulevard, thence southerly along Junipero Serra Boulevard to State Route 1 (Junipero Serra Boulevard), thence southerly along State Route 1 to the boundary common to the Counties of San Francisco and San Mateo, thence westerly along the boundary common to the Counties of San Francisco and San Mateo to the shore line of the Pacific Ocean, thence westerly and northerly along the boundary of the County of San Francisco in the Pacific Ocean to its intersection with the boundary common to the Counties of San Francisco and Marin, thence northeasterly and northerly along the boundary common to the Counties of San Francisco and Marin to its intersection with the boundary common to the Counties of San Francisco and Contra Costa, thence southeasterly along the boundary common to the Counties of San Francisco and Contra Costa to its intersection with the boundary common to the Counties of San Francisco and Alameda, thence southeasterly along the boundary common to the Counties of San Francisco and Alameda to its intersection with the boundary common to the Counties of San Francisco and San Mateo, thence westerly along the boundary common to the Counties of San Francisco and San Mateo to its intersection with the shore line of San Francisco Bay near Candlestick Point, thence generally northeasterly, northerly and continuing northwesterly along the shore line

of San Francisco Bay (excluding all wharfs and piers) to its intersection with the entrance to China Basin south of Pier 46, thence westerly passing through the center of China Basin to the southerly prolongation of the center line of The Embarcadero, thence northerly and northwesterly along the southerly prolongation of the Embarcadero and the Embarcadero to Howard Street, thence northeasterly along Howard Street and the northeasterly prolongation of Howard Street passing between Piers 14 and 16, to its intersection with the shore line of San Francisco Bay, thence northwesterly and westerly along the shore line of San Francisco Bay (excluding all wharfs and piers) to its intersection with the northerly elongation of Leavenworth Street (in the vicinity of Fisherman's Wharf), the point of beginning, and the islands in the Pacific Ocean which are within the territorial boundaries of the County of San Francisco, and

(b) All that portion of the County of San Mateo bounded and described as follows:

Beginning at the intersection of State Route 101 (also known as Bayshore Freeway) with the boundary common to the Counties of San Mateo and San Francisco, thence southerly and southwesterly along State Route 101 to its intersection with the south boundary of the City of Brisbane as it existed on December 1, 1969, thence westerly along the boundary of the City of Brisbane and the westerly prolongation of the boundary of the City of Brisbane to Airport Boulevard, thence southerly along Airport Boulevard to the Southern Pacific Railroad Spur, thence easterly along the Southern Pacific Railroad Spur to State Route 101 (Bayshore Freeway), thence southerly along State Route 101 to the boundary of the City of South San Francisco as it existed on December 1, 1969, thence westerly along the boundary of the City of South San Francisco to its intersection with the boundary of the City of San Bruno as it existed on December 1, 1969, thence southerly along the boundary of the City of San Bruno to its intersection with the boundary of the City of Millbrae as it existed on December 1, 1969, thence southeasterly and southwesterly along the boundary of the City of Millbrae to its intersection with Magnolia Avenue, thence northwesterly along Magnolia Avenue to Millbrae Avenue, thence southwesterly along Millbrae Avenue and the southwesterly prolongation of Millbrae Avenue to its intersection with the west boundary of the City of Millbrae as it existed on December 1, 1969, near State Route 280 (Junipero Serra Freeway), thence southeasterly along the boundary of the City of Millbrae to its intersection with the boundary of the City of Burlingame as it existed on December 1, 1969, thence southeasterly and easterly along the boundary of the City of Burlingame to its intersection with the

boundary of the City of Hillsborough as it existed on December 1, 1969, thence southeasterly and northeasterly along the boundary of the City of Hillsborough to its intersection with the northerly prolongation of Polhemus Road, thence southerly along the northerly prolongation of Polhemus Road, southerly along Polhemus Road and the southerly prolongation of Polhemus Road to State Route 92 (J. Arthur Younger Freeway), near the San Mateo County Library, thence northeasterly along State Route 92 to Ralston Avenue, thence southeasterly along Ralston Avenue to the boundary of the City of Belmont as it existed on December 1, 1969, thence generally northeasterly along the boundary of the City of Belmont to El Camino Real, thence northwesterly along El Camino Real to 28th Avenue, thence southwesterly along 28th Avenue to Alameda De Las Pulgas, thence northwesterly along Alameda De Las Pulgas to Hobart Avenue, thence northeasterly along Hobart Avenue to Edinburgh Street, thence northwesterly along Edinburgh Street to Hobart Avenue, thence northeasterly along Hobart Avenue to Maple Street, thence northwesterly along Maple Street to Hobart Avenue, thence northeasterly along Hobart Avenue to El Camino Real, thence northwesterly along El Camino Real to 10th Avenue, thence northeasterly along 10th Avenue and the northeasterly prolongation of 10th Avenue to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to 9th Avenue, thence southwesterly along 9th Avenue to Laurel Avenue, thence northwesterly along Laurel Avenue to 5th Avenue, thence southwesterly along 5th Avenue to El Camino Real, thence northwesterly along El Camino Real to Tilton Avenue, thence northeasterly along Tilton Avenue to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to the boundary common to the Cities of Burlingame and San Mateo as it existed on December 1, 1969, (near Peninsular Avenue), thence northeasterly, northwesterly and northerly along the boundary common to the Cities of Burlingame and San Mateo and the northerly elongation of said common boundary to its intersection with the southern boundary of the City of South San Francisco, thence easterly along the boundary of the City of South San Francisco to its intersection with the boundary of San Mateo and Alameda Counties, thence generally northerly along the boundary common to San Mateo and Alameda Counties to its intersection with the boundary common to San Mateo and San Francisco Counties, thence westerly along the boundary common to San Mateo and San Francisco Counties to the point of beginning, shall constitute the 10th Senatorial District.

30111. That portion of Alameda County lying westerly of

the following described line:

Beginning at the intersection of the boundary common to the Counties of Alameda and Santa Clara and the City of Fremont (in the vicinity of the South ½, Section 21, T. 5 S., R. 1 E., M.D.B. & M.), thence generally northerly along the eastern boundary of Fremont to its intersection with Niles Canyon Road, thence northeasterly and southeasterly along Niles Canyon Road to the southern elongation of Sunol Ridge Trail (in the vicinity of Coordinates x = 1,595,600 feet, y = 401,500 feet, California Coordinate System, Zone 2), thence northerly along the southern elongation of Sunol Ridge Trail to Sunol Ridge Trail, thence generally northerly and northwesterly in a meandering fashion along Sunol Ridge Trail to Cowing Road, thence northwesterly along Cowing Road to Palo Verde Road, thence northeasterly along Palo Verde Road to Eden Canyon Road, thence northerly and northeasterly along Eden Canyon Road to Hollis Canyon Road, thence easterly and northeasterly along Hollis Canyon Road to its intersection with the boundary common to the Counties of Contra Costa and Alameda, shall constitute the 11th Senatorial District.

30012. That portion of Fresno County lying generally westerly and northerly of the following line:

Beginning at the intersection of State Route 41 (also known as North Blackstone Avenue) with the boundary common to the Counties of Madera and Fresno, thence southerly along State Route 41 to East Perrin Road, thence easterly along East Perrin Road to the northern boundary of Woodward Park, thence generally northeasterly and easterly along the northern boundary of Woodward Park to Rice Road, thence southerly along Rice Road to Shepherd Road, thence easterly along Shepherd Road to Millbrook Avenue, thence southerly along Millbrook Avenue to Herndon Avenue, thence easterly along Herndon Avenue to State Route 168 (also known as Toll House Road), thence northeasterly and easterly along State Route 168 to the Friant Kern Canal, thence generally southeasterly along Friant Kern Canal to American Avenue (in the vicinity of the line between Section 35, T. 14 S and Section 2, T. 15 S., R. 24 E., M.D.B.&M.), thence westerly along American Avenue to Crawford Avenue, thence southerly along Crawford Avenue to the boundary of the County of Fresno, thence westerly and southwesterly along the County line to Macdonough Avenue, thence northerly along Macdonough Avenue to Nebraska Avenue, thence easterly along Nebraska Avenue to Marshall Avenue, thence northerly along Marshall Avenue to Rose Avenue, thence westerly along Rose Avenue to Bethel Avenue, thence southerly along Bethel Avenue to Mountain View Avenue, thence westerly along Mountain View Avenue to De Wolf

Avenue, thence northerly along De Wolf Avenue to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to Manning Avenue, thence westerly along Manning Avenue to Fowler Avenue, thence southerly along Fowler Avenue to Dinuba Avenue, thence westerly along Dinuba Avenue to Clovis Avenue, thence southerly along Clovis Avenue to Floral Avenue, thence westerly along Floral Avenue to East Avenue, thence southerly along East Avenue to Clarkson Avenue, thence westerly along Clarkson Avenue to State Route 41, thence southerly along State Route 41 to Elkhorn Avenue, thence westerly along Elkhorn Avenue to Elkhorn Grade, thence southwesterly along Elkhorn Grade to Cerini Avenue, thence westerly along Cerini Avenue to Howard Avenue, thence southerly along Howard Avenue to Mount Whitney Avenue, thence westerly along Mount Whitney Avenue to Colusa Avenue, thence southerly along Colusa Avenue to Fresno-Coalinga Road, thence southwesterly along Fresno-Coalinga Road to El Dorado Avenue, thence southerly along El Dorado Avenue to Jayne Avenue, thence westerly along Jayne Avenue to State Route 198, thence southwesterly along State Route 198 to State Route 8140, thence northwesterly along State Route 8140 to Los Gatos Road, thence northwesterly along Los Gatos Road to the boundary common to the Counties of Fresno and San Benito, and

(a) That portion of the County of Madera lying generally southwesterly of the following line:

Beginning at the intersection of the bottom of an unnamed canyon with the boundary common to the Counties of Madera and Fresno (in the vicinity of Millerton Lake in the southwest corner of Section 5, T. 11 S., R. 21 E., M.D.B.&M.,) thence generally northwesterly along the unnamed canyon to the Madera Canal (in the vicinity of the southeast ¼ of Section 6, T. 10 S., R. 21 E., M.D.B.&M.), thence generally northwesterly along the Madera Canal to Ash Slough (in the vicinity of the southwest ¼ of Section 9, T. 9 S., R. 17 E., M.D.B.&M.), thence northeasterly along Ash Slough and its northeasterly elongation to the boundary common to the Counties of Merced and Madera, and

(b) All that portion of Merced County lying generally westerly and southerly of the following described line:

Beginning at the intersection of State Route 25 (also known as Hornitos Road) with the boundary common to the Counties of Merced and Mariposa, thence southwesterly along State Route 25 to State Route 177 (also known as Snelling Road), thence northeasterly along State Route 177 to Main Canal (in the vicinity of the southwest ¼ of Section 17, T. 6 S., R 14 E., M.D.B.&M.), thence generally westerly along Main Canal to Henderson Lateral Canal (in the vicinity of the

northwest ¼ of Section 18, T. 6 S., R. 14 E., M.D.B.&M.), thence generally westerly and southwesterly along Henderson Lateral Canal to State Route S 217) (also known as Franklin Road (in the vicinity of the northwest ¼ of Section 10, T. 7 S., R. 13 E., M.D.B.&M.), thence southerly along State Route S 217 to County Road J 7 (also known as Santa Fe Road), thence northwesterly along County Road J 7 to Livingston Canal (in the vicinity of the line between Sections 4 and 5, T. 7 S., R. 13 E., M.D.B.&M.), thence generally westerly along Livingston Canal to State Route S 233 (also known as Buhach Road) in the vicinity of the line between Sections 5 and 6, T. 7 S., R. 13 E., M.D.B.&M.), thence south along State Route S 233 to State Route 140, thence westerly along State Route 140 to McSwain Road, thence generally westerly along McSwain Road to Cressey Way, thence northerly along Cressey Way to Atwater Jordan Road, thence westerly along Atwater Jordan Road to Arena Way, thence northerly along Arena Way to U.S. Route 99, thence southeasterly along U.S. Route 99 to Cressey Way, thence northerly along Cressey Way to Meadow Drive, thence southeasterly along Meadow Drive to Santa Fe Drive, thence northerly along Santa Fe Drive to the Merced River, thence northeasterly along the Merced River to State Route 27 (also known as Oakdale Road), thence northwesterly along State Route 27 to the boundary common to the Counties of Stanislaus and Merced, shall constitute the 12th Senatorial District.

30113. That portion of Santa Clara County bounded and described as follows:

Beginning at the boundary common to the Counties of Alameda and Santa Clara at the northwesterly point of the boundary of the City of Sunnyvale, thence easterly along the boundary of the County of Santa Clara to Weller Road, thence southerly along Weller Road to Felter Road, thence southeasterly along Felter Road to the Pacific Gas & Electric Company power transmisson line, thence southeasterly along the Pacific Gas & Electric Company power transmisson line to Penitencia Creek, thence westerly along Penitencia Creek to Arroyo Aguague, thence southeasterly along Arroyo Aguague to the first unnamed road, thence northwesterly, southerly and westerly along the unnamed road to Mt Hamilton Road, thence westerly along Mt. Hamilton Road to Clayton Road, thence southeasterly, southerly, and westerly along Clayton Road to Harvest Drive, thence southerly along Harvest Drive to Mt. Pleasant Road, thence southeasterly along Mt. Pleasant Road to Kohler Avenue, thence southwesterly along Kohler Avenue to Flint Avenue, thence northwesterly along Flint Avenue to Marten Avenue, thence southwesterly along Marten Avenue to White Road, thence

southeasterly along White Road to Cunningham Avenue, thence southwesterly along Cunningham Avenue to Capitol Expressway, thence southerly and southwesterly along Capitol Expressway to U. S. Highway 101 (also known as Bayshore Freeway), thence northwesterly along U. S. Highway 101 to Tully Road, thence southwesterly along Tully Road to Monterey Road, thence northwesterly along Monterey Road to Curtner Avenue, thence southwesterly along Curtner Avenue to Booksin Avenue, thence northwesterly along Booksin Avenue to Dry Creek Road, thence northeasterly along Dry Creek Road to Hicks Avenue, thence northerly along Hicks Avenue to Hamilton Avenue, thence westerly along Hamilton Avenue to Meridian Avenue, thence northerly along Meridian Avenue to Park Avenue, thence northwesterly along Park Avenue to Hester Avenue, thence southwesterly along Hester Avenue to San Carlos Street, thence westerly along San Carlos Street to Wabash Avenue, thence northerly along Wabash Avenue to Forest Avenue, thence westerly along Forest Avenue to State Highway 17 (also known as Los Gatos Freeway), thence southerly along State Highway 17 to Stevens Creek Boulevard, thence westerly along Stevens Creek Boulevard to Winchester Boulevard, thence southerly along Winchester Boulevard to Payne Avenue, thence westerly along Payne Avenue to Saratoga Avenue, thence northeasterly along Saratoga Avenue to Williams Road, thence westerly along Williams Road to Moorpark Avenue, thence westerly along Moorpark Avenue to Lawrence Expressway, thence northerly along Lawrence Expressway to Homestead Road, thence westerly along Homestead Road to Wolfe Road, thence southerly along Wolfe Road to Stevens Creek Boulevard, thence westerly along Stevens Creek Boulevard to Saratoga-Sunnyvale Road thence northerly along Saratoga-Sunnyvale Road to Homestead Road, thence westerly along Homestead Road to Mary Avenue, thence northerly along Mary Avenue to Fremont Avenue, thence westerly along Fremont Avenue to Stevens Creek Freeway, thence northerly along Stevens Creek Freeway to the easterly elongation of Bryant Avenue, thence west along the easterly elongation of Bryant Avenue and Bryant Avenue to Grant Road, thence northerly along Grant Road to Cuesta Drive, thence westerly along Cuesta Drive to the boundary common to the Cities of Mountain View and Los Altos, thence northerly in a clockwise direction along the boundary of the city of Mountain View to El Camino Real, thence northwesterly along El Camino Real to Adobe Creek, thence northeasterly along Adobe Creek to the Southern Pacific Railroad, thence southeasterly along the Southern Pacific Railroad to Stevens Creek Freeway (also known as State

Highway 85), thence northerly along Stevens Creek Freeway to U. S. Highway 101 (also known as the Bayshore Freeway), thence southeasterly along U. S. Highway 101 to the southerly elongation of Moffett Boulevard, thence northerly, easterly and northeasterly along the southerly elongation of Moffett Boulevard and Moffett Boulevard and the northerly elongation of Moffett Boulevard to the Boundary of the City of Sunnyvale, thence westerly and northerly along the boundary of the City of Sunnyvale to the boundary common to Alameda and Santa Clara Counties, the point of beginning, shall constitute the 13th Senatorial District.

30114. (a) That portion of Santa Clara County lying east and south of the following line:

Beginning at the boundary common to the Counties of Santa Clara and Santa Cruz at Mt. Madonna Road near its intersection with Loma Prieta Road, thence northerly on Mt. Madonna Road to Loma Prieta Road, thence northerly on Loma Prieta Road to the unnamed road leading to Loma Prieta Peak (just north or Uvas Canyon Road), thence meandering along the unnamed road to Loma Prieta Peak, one of the peaks in an unnamed ridge, thence northeasterly along the unnamed ridge to an unnamed peak (in the vicinity of Coordinates X = 616,400 feet, Y = 236,600 feet, California Coordinate System, Zone 3), thence northwesterly along the southeasterly elongation of Larrabee Gulch and along Larrabee Gulch to the Almaden Reservoir, thence westerly along the Almaden Reservoir to the easterly elongation of Hicks Road, thence westerly along the elongation of Hicks Road and northwesterly along Hicks Road to Guadalupe Creek, thence northerly and northwesterly along Guadalupe Creek (including Guadalupe Reservoir) to Pheasant Creek, thence southwesterly along Pheasant Creek to its point of origin, thence westerly along an imaginary line to its intersection with an unnamed ridge (in the vicinity of Coordinates X = 1,583,800 feet, Y = 255,500 feet, California Coordinate System, Zone 3), thence northwesterly along the unnamed ridge to the easterly elongation of Limekin Canyon, thence westerly along the easterly elongation of Limekin Canyon to Alma Bridge Road, thence westerly and southwesterly along Alma Bridge Road to State Highway 17, thence northerly along State Highway 17 to the northeasterly elongation of Trout Creek, thence southwesterly along Trout Creek and its elongation to El Sereno Jeep Trail, thence southwesterly and northwesterly along El Sereno Jeep Trail to Bollman Road (also known as Bohlman Road), thence northwesterly along Bollman Road to an unnamed road in the vicinity of Stuart Boy Scout Camp, thence southwesterly along the unnamed road and its southwesterly elongation to Congress Springs Canyon, thence northwesterly along

Congress Springs Canyon to Saratoga Creek, thence westerly along Saratoga Creek to Rowar Creek, thence northwesterly along Rowar Creek and its northwesterly elongation to Table Mountain Ridge, thence meandering generally westerly and northeasterly along Table Mountain Ridge to Martin Way-Winery Road, thence meandering generally northeasterly along Martin Way-Winery Road to an unnamed branch of Stevens Creek, thence northeasterly and northwesterly along unnamed branch of Stevens Creek to Stevens Creek, thence generally northerly along Stevens Creek to an unnamed creek in the vicinity of the northwest corner of Stevens Creek Park, thence northeasterly along the unnamed creek and its northeasterly elongation to an unnamed peak in an unnamed ridge (in the vicinity of Coordinates X = 1,544,800 feet, Y = 291,300 feet, California Coordinate System, Zone 3), thence meandering generally southerly along the unnamed ridge to the easterly elongation of the northern boundary line of Stevens Creek Park, thence easterly along the easterly elongation of the northern boundary of Stevens Creek Park to Prospect Road, thence meandering generally easterly, northeasterly and easterly along the center line of Prospect Road to Saratoga Avenue, thence northeasterly along Saratoga Avenue to Payne Avenue, thence easterly along Payne Avenue to Winchester Boulevard, thence northerly along Winchester Boulevard to Stevens Creek Boulevard, thence easterly along Stevens Creek Boulevard to State Highway 17 (also known as Los Gatos Freeway), thence along State Highway 17 to Forest Avenue, thence easterly along Forest Avenue to Wabash Avenue, thence southerly along Wabash Avenue to San Carlos Street, thence easterly along San Carlos Street to Hester Avenue, thence northeasterly along Hester Avenue to Park Avenue, thence southeasterly along Park Avenue to Meridian Avenue, thence southerly along Meridian Avenue to Hamilton Avenue, thence easterly along Hamilton Avenue to Hicks Avenue, thence southerly along Hicks Avenue to Dry Creek Road, thence southwesterly along Dry Creek Road to Booksin Avenue, thence southeasterly along Booksin Avenue to Curtner Avenue, thence northeasterly along Curtner Avenue to Monterey Road, thence southeasterly along Monterey Road to Tully Road, thence northeasterly along Tully Road to U.S. Highway 101 (also known as Bayshore Freeway), thence southeasterly along U.S. Highway 101 to Capitol Expressway, thence easterly, northeasterly and northerly along Capitol Expressway to Cunningham Avenue, thence northeasterly along Cunningham Avenue to White Road, thence northwesterly along White Road to Marten Avenue, thence northeasterly along Marten Avenue to Flint Avenue, thence southeasterly along Flint Avenue to Kohler

Avenue, thence northeasterly along Kohler Avenue to Mt. Pleasant Road, thence northwesterly along Mt. Pleasant Road to Harvest Drive, thence northerly along Harvest Drive to Clayton Road, thence easterly, northerly and northwesterly along Clayton Road to Mt Hamilton Road, thence easterly along Mt. Hamilton Road to an unnamed road, thence easterly, northerly and southeasterly along the unnamed road to Arroyo Aguague, thence northwesterly along Arroyo Aguague to Penitencia Creek, thence easterly along Penitencia Creek to the Pacific Gas and Electric power transmission line, thence northwesterly along the Pacific Gas and Electric power transmission line to Felter Road, thence northwesterly along Felter Road to Weller Road, thence northerly along Weller Road to the boundary common to the Counties of Alameda and Santa Clara, and

(b) That portion of Alameda County lying easterly of the following described line:

Beginning at the intersection of the boundary common to the Counties of Alameda and Santa Clara and the City of Fremont (in the vicinity of the South ½, Section 21, T. 5 S., R. 1 E., M.D.B. & M.), thence generally northerly along the eastern boundary of Fremont to its intersection with Niles Canyon Road, thence northeasterly and southeasterly along Niles Canyon Road to the southern elongation of Sunol Ridge Trail (in the vicinity of Coordinates x = 1,595,600 ft., y = 401,500 ft., California Coordinate System, Zone 2), thence northerly along the southern elongation of Sunol Ridge Trail to Sunol Ridge Trail, thence generally northerly and northwesterly in a meandering fashion along Sunol Ridge Trail to Cowing Road, thence northwesterly along Cowing Road to Palo Verde Road, thence northeasterly along Palo Verde Road to Eden Canyon Road, thence northerly and northeasterly along Eden Canyon Road to Hollis Canyon Road, thence easterly and northeasterly along Hollis Canyon Road to its intersection with the boundary common to the Counties of Contra Costa and Alameda, and

(c) That portion of Contra Costa County lying generally southerly of the following described line:

That portion of Contra Costa County north and west of the line described as follows: Beginning at the boundary common to the Counties of Contra Costa and Alameda at its intersection with a power transmission line (in the vicinity of Coordinates x = 1,543,000 feet, y = 491,100 feet, California Coordinate System, Zone 3), thence northeasterly along the power transmission line to West Branch Creek, thence easterly along West Branch Creek to Dolores Way, thence easterly along Dolores Way to Donna Maria Way, thence southeasterly along Donna Maria Way to El Camino Moraga, thence northeasterly along El Camino Moraga to Moraga

Way, thence northerly along Moraga Way to Hall Drive, thence northerly along Hall Drive to Rheem Boulevard, thence southeasterly along Rheem Boulevard to the Pacific Gas & Electric Power Line (in the vicinity of Coordinates x = 1,528,600 feet, y = 500,900 feet, California Coordinate System, Zone 3), thence northeasterly along the Pacific Gas & Electric Power Line to Moraga Road, thence southerly along Moraga Road to the Pacific Gas & Electric Power Line (in the vicinity of Coordinates x = 1,533,300 feet, y = 500,200 feet, California Coordinate System, Zone 3), thence southeasterly along the Pacific Gas & Electric Power Line to the boundary of the City of Walnut Creek, thence southeasterly along the boundary of the City of Walnut Creek to Las Trampas Ridge, thence southerly along Las Trampas Ridge to an unnamed creek branch (in the vicinity of the northwest ¼, Section 23, T. 1 S., R. 2 W., M.D.B.&M.), thence generally northeasterly along the unnamed creek branch to San Ramon Creek, thence northwesterly along San Ramon Creek to the northeastern elongation of La Serena Avenue, thence northeasterly along La Serena Avenue to Interstate 680, thence northerly along Interstate 680 to Stone Valley Road, thence easterly and southeasterly along Stone Valley Road to Green Valley Road, thence northerly along Green Valley Road to Emmons Canyon Road, thence meandering northeasterly and southeasterly along Emmons Canyon Road to Mt. Diablo Scenic Road, thence meandering easterly and northwesterly along Mt. Diablo Scenic Road and its continuation as North Gate Road to Oakgrove Road, thence northwesterly along Oakgrove Road to Ygnacio Valley Road, thence northeasterly along Ygnacio Valley Road to Kirker Pass Road, thence northeasterly along Kirker Pass Road to Railroad Avenue, thence northerly along Railroad Avenue to State Highways 4 and 24, thence southeasterly along State Highways 4 and 24 to the boundary of the City of Antioch, thence southerly and easterly along the boundary of the City of Antioch to the Contra Costa Canal, thence southeasterly along the Contra Costa Canal to Somersville Road, thence southwesterly along Somersville Road to Paso Corto, thence generally easterly along Paso Corto to Contra Costa Canal, thence generally easterly along Contra Costa Canal to Neroly Road, thence northwesterly and northerly along Neroly Road to State Highway 24 (also known as Bridgehead Road), thence northerly along State Highway 24 to the boundary common to the Counties of Contra Costa and Sacramento, *shall constitute the 14th Senatorial District.*

30115. The Counties of Inyo, Mono, San Luis Obispo, Tulare, and

(a) that portion of Fresno County lying generally southeasterly of the following described line:

Beginning at the intersection of American Avenue with the boundary common to the Counties of Fresno and Tulare (at an angle point along the boundary common to the Counties of Fresno and Tulare in the vicinity of the southeast corner of Section 36, T. 14 S., R. 24 E., M.D.B.&M.), thence westerly along American Avenue to Crawford Avenue, thence southerly along Crawford Avenue to the boundary of the County of Fresno, thence westerly and southwesterly along the County line to Macdonough Avenue, thence northerly along Macdonough Avenue to Nebraska Avenue, thence easterly along Nebraska Avenue to Marshall Avenue, thence northerly along Marshall Avenue to Rose Avenue, thence westerly along Rose Avenue to Bethel Avenue, thence southerly along Bethel Avenue to Mountain View Avenue, thence westerly along Mountain View Avenue to De Wolf Avenue, thence northerly along De Wolf Avenue to the the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to Manning Avenue, thence westerly along Manning Avenue to Fowler Avenue, thence southerly along Fowler Avenue to Dinuba Avenue, thence westerly along Dinuba Avenue to Clovis Avenue, thence southerly along Clovis Avenue to Floral Avenue, thence westerly along Floral Avenue to East Avenue, thence southerly along East Avenue to Clarkson Avenue, thence westerly along Clarkson Avenue to State Route 41, thence southerly along State Route 41 to Elkhorn Avenue, thence westerly along Elkhorn Avenue to Elkhorn Grade, thence southwesterly along Elkhorn Grade to Cerini Avenue, thence westerly along Cerini Avenue to Howard Avenue, thence southerly along Howard Avenue to Mount Whitney Avenue, thence westerly along Mount Whitney Avenue to Colusa Avenue, thence southerly along Colusa Avenue to Fresno-Coalinga Road thence southwesterly along Fresno-Coalinga Road to El Dorado Avenue, thence southerly along El Dorado Avenue to Jayne Avenue, thence westerly along Jayne Avenue to State Route 198, thence southwesterly along State Route 198 to State Route 8140, thence northwesterly along State Route 8140 to Los Gatos Road, thence northwesterly along Los Gatos Road to the boundary common to the Counties of Fresno and San Benito, and

(b) That portion of San Bernardino County bounded and described as follows:

Beginning at the point common to the boundaries of Inyo and San Bernardino Counties and the eastern boundary of the Inyokern Naval Ordnance Test Station, thence generally easterly, southerly and westerly in a clockwise manner along the boundary of San Bernardino County to its southern intersection with the line between Range 20 East and Range 21 East, S.B.B &M., thence northerly along said line to the

Atchison, Topeka and Santa Fe Railroad (in the vicinity of the California River Aqueduct, thence generally westerly and northwesterly along the Atchison, Topeka and Santa Fe Railroad and westerly along the Atchison, Topeka and Santa Fe Railroad at Cadiz to Interstate 40 (also known as U.S. Route 66), thence northwesterly along Interstate 40 to Bagdad Way Road (also known as Bagdad Highway), thence southerly to the northern boundary of the Marine Corps Training Center, thence generally westerly along the northern boundary of the Marine Corps Training Center to the line between Range 4 East and Range 5 East, S.B.B.&M., thence northerly to the Southern California Edison Company power line, thence generally southwesterly and westerly along the Southern California Edison Company power line to Camp Rock Road in Section 14, R. 2 E., T. 6 N., S.B.B.&M., thence generally southwesterly and southerly along Camp Rock Road to State Highway 18, thence southerly and southeasterly along State Highway 18 to the northern boundary of the San Bernardino National Forest, thence generally westerly along the northern boundary of the San Bernardino National Forest to the Los Angeles Bureau of Power and Light power transmission line (in the vicinity of Coordinates x = 2,163,500 feet, y = 316,500 feet, California Coordinate System, Zone 5), thence northeasterly along said power line to the Mojave River, thence meandering generally northerly and northeasterly along the Mojave River to Hinkley Road, thence generally northerly along Hinkley Road to Community Boulevard, thence westerly along Community Boulevard to an unnamed road running south from Hidden River Road, thence northerly along said unnamed road to Frontier Road, thence westerly along Frontier Road to Valley View Road, thence northerly along Valley View Road to U.S. Highway 466 (also known as State Highway 58), thence easterly along U.S. Highway 466 to Valley Wells Road, thence northerly along Valley Wells Road and the northern elongation of Valley Wells Road to the Atchison, Topeka and Santa Fe Railroad, thence generally easterly along the Atchison, Topeka & Santa Fe Railroad to Hinkley Road, thence northerly along Hinkley Road to Fossil Bed Road, thence generally northeasterly and southeasterly along Fossil Bed Road to Irwin Road, thence northeasterly along Irwin Road to Yermo Cutoff, thence southeasterly and southerly along Yermo Cutoff to U.S. Highway 466, thence easterly along U.S. Highway 466 to Daggett-Yermo Road, thence southerly along Daggett-Yermo Road to the western elongation of the southern boundary of the Marine Corps Supply Center (Yermo Area), thence easterly along the southern boundary of the Marine Corps Supply Center to its easterly intersection with the Mojave River, thence easterly along the Mojave River to the Los

Angeles Bureau of Power and Light power transmission line in the southeast ¼ of Section 4, R. 2 E., T. 9 N., thence northeasterly along said power transmission line to Paradise Springs Road, thence generally northerly and northwesterly along Paradise Springs Road to Irwin Road, thence northeasterly along Irwin Road to Paradise Springs Road, thence generally northwesterly and northerly along Paradise Springs Road to Goldstone Road, thence northeasterly along Goldstone Road to the boundary of the Inyokern Naval Ordnance Test Station, thence generally easterly and northerly along said boundary to the point of beginning, and

(c) That portion of Monterey County lying generally southerly of the following described line:

Beginning at the most northwestern point of the boundary of the City of Monterey in Monterey Bay North of Point Alones, thence generally easterly, southerly and southeasterly along the North boundary of the City of Monterey to its intersection with the boundary of the City of Del Rey Oaks, thence generally easterly along the North boundary of the City of Del Rey Oaks to its intersection with Fort Ord Military Reservation, thence generally southerly, easterly and northerly along the South boundary of Fort Ord Military Reservation to its first intersection with the Salinas River, thence generally southeasterly along the Salinas River to its intersection of Chualar River Road, thence westerly along the Chualar River Road to its intersection of River Road, thence generally southeasterly along the River Road to its intersection of Limekiln Road, thence generally southwesterly along Limekiln Road to its intersection of an unnamed Road near California Coordinate System, Zone 4 x = 1,256,500 ft., y = 438-000 ft., thence meandering generally southwesterly along said road to its intersection with an unnamed road near California Coordinate System, Zone 4, x = 1,246,900 ft., y = 417,500 ft., thence generally southeasterly along said road to its intersection of Sierra De Salinas Ridge, thence generally southeasterly and southerly along Sierra De Salinas Ridge to its intersection of Tularcitos Creek, thence southwesterly along Tularcitos Creek to its intersection of Tularcitos Road, (also known as Ardilla Grade), thence southeasterly along Tularcitos Road to its intersection of Cachagua Road, thence southerly and westerly along Cachagua Road to its intersection of Tassajara Road (also known as Jamesburg Road), thence southerly along Tassajara Road to its intersection of Hot Springs Trail, thence easterly along Hot Springs Trail to its intersection of Tassajara Circle, thence generally southeasterly along Tassajara Circle to its intersection of Arroyo Seco Circle, thence generally easterly along Arroyo Seco Circle to its intersection of Indians Road, thence generally northerly along Indians Road to its

intersection of Arroyo Seco Road, thence generally easterly, northeasterly and northerly along Arroyo Seco Road to its intersection of El Camino Real (U.S. 101), thence northerly along El Camino Real to its intersection of Salinas River, thence generally easterly and southeasterly along Salinas River to its intersection of San Vincente Grant Line, thence generally easterly along San Vicente Grant Line to its intersection of San Lorenzo Grant Line, thence northerly along San Lorenzo Grant Line to its intersection of Metz-Soledad Road, thence generally northwesterly along Metz-Soledad Road to its intersection of State Highway 146, thence easterly and northerly along State Highway 146 to its intersection with the boundary common to Monterey and San Benito Counties, shall constitute the 15th Senatorial District.

30116. That portion of San Bernardino County bounded and described as follows:

Beginning at the intersection of the boundary common to Los Angeles and San Bernardino Counties and the Los Angeles Power and Light transmission line (in the vicinity of Coordinates x = 2,096,500 feet, y = 238,500 feet, California Coordinate System, Zone 5), thence generally easterly and northeasterly along the Los Angeles Power and Light transmission line to the south boundary of the San Bernardino National Forest west of Lytle Creek Road, thence easterly along the boundary of the San Bernardino National Forest to Lytle Creek Road, thence southerly along Lytle Creek Road to Citrus Avenue, thence southerly along Citrus Avenue to Highland Avenue, thence easterly along Highland Avenue to Lytle Creek, thence southeasterly along Lytle Creek to Base Line Road, thence westerly along Base Line Road to Meridian Avenue, thence southerly along Meridian Avenue to the boundary of the City of San Bernardino, thence generally westerly along the boundary of the City of San Bernardino to Pepper Avenue (in the vicinity of 9th Street), thence southerly along Pepper Avenue to Foothill Boulevard, thence easterly along Foothill Boulevard to Rancho Avenue, thence southerly along Rancho Avenue to the southwest boundary of the City of San Bernardino, thence generally westerly, southerly and westerly along the boundary of the City of San Bernardino to Meridian Avenue, thence southerly along Meridian Avenue and its southerly elongation to San Bernardino Freeway (also known as Interstate 10), thence easterly along San Bernardino Freeway to the boundary of the City of Colton (in the vicinity of Rancho Avenue), thence southerly along the boundary of the City of Colton to the western elongation of "O" Street, thence easterly along the western elongation of "O" Street and "O" Street to 3rd Street, thence generally southerly along 3rd Street to La Cadena Drive, thence southerly along La Cadena Drive to the Santa

Ana River Wash, thence meandering generally northeasterly along the Santa Ana River Wash to Mt. Vernon Avenue, thence generally northwesterly along Mt. Vernon Avenue to "M" Street, thence generally northerly along "M" Street and the northerly elongation of "M" Street to the San Bernardino Freeway (also known as Interstate 10), thence westerly along the San Bernardino Freeway to Meeks and Daley Ditch, thence generally northerly and northeasterly along Meeks and Daley Ditch to the boundary common to the Cities of Colton and San Bernardino, thence generally northerly along the boundary common to the Cities of Colton and San Bernardino to Colton Avenue, thence northeasterly along Colton Avenue to Mill Street, thence westerly along Mill Street to U. S. Highway 395, thence northerly along U. S. Highway 395 to 2nd Street, thence easterly along 2nd Street to "E" Street, thence southerly along "E" Street to Rialto Avenue, thence easterly along Rialto Avenue to Arrowhead Avenue, thence northerly along Arrowhead Avenue to 9th Street, thence easterly along 9th Street to Waterman Avenue, thence southerly along Waterman Avenue to Mill Street, thence easterly along Mill Street to the southern elongation of the eastern boundary of Norton Air Force Base, thence generally northerly and easterly along the elongation of the boundary of Norton Air Force Base and the boundary of Norton Air Force Base to the southerly elongation of Sterling Avenue, thence northerly along the southerly elongation of Sterling Avenue and Sterling Avenue to Base Line Street, thence westerly along Base Line Street to Interstate 15 (also known as U.S. Highway 395), thence northerly along Interstate 15 to State Highway 259, thence generally northerly, northeasterly and easterly along State Highway 259 to State Highway 206, thence generally northerly and northwesterly along State Highway 206 to the boundary of the City of San Bernardino, northwest of Buckboard Drive, thence southwesterly along the boundary of the City of San Bernardino to Interstate 15 (U.S. Highways 66 and 395), thence generally northwesterly and northerly along Interstate 15 to the northern boundary of the San Bernardino National Forest, thence generally easterly along the northern boundary of the San Bernardino National Forest to State Highway 18, thence generally northwesterly and northerly along State Highway 18 to Camp Rock Road, thence northerly and northeasterly along Camp Rock Road to the Southern California Edison Company Power Line in Section 14, T. 6 N., R. 2 E., S.B.B.&M.), thence generally easterly and northeasterly along said power line to the line between Range 4 East and Range 5 East, S.B.B.&M., thence southerly along the line between Range 4 East and Range 5 East to the northern boundary of the Marine Corps Training Center,

thence generally northeasterly, easterly and southeasterly along the northern boundary of the Marine Corps Training Center to Bagdad Way Road (also known as Bagdad Highway), thence northerly along Bagdad Way Road to Interstate 40, thence southeasterly along Interstate 40 (also known as U.S. Route 66) to the Atchison, Topeka and Santa Fe Railroad, thence generally easterly along the Atchison, Topeka and Santa Fe Railroad and southeasterly along the Southeast Atchison, Topeka and Santa Fe Railroad at Cadiz, to a line between Range 20 East and Range 21 East, S.B.B. & M (in the vicinity of the Colorado Aqueduct), thence southerly along said line to the boundary common to San Bernardino and Riverside Counties, thence generally westerly, southwesterly, northwesterly and northerly in a clockwise manner along the southern and western boundary of San Bernardino County to the point of beginning, shall constitute the 16th Senatorial District.

30117. The counties of Santa Cruz and San Benito and

(a) That portion of Monterey County lying north and west of the line described as follows:

Beginning at the most northwestern point of the boundary of the City of Monterey in Monterey Bay North of Point Alones, thence generally easterly, southerly and southeasterly along the North boundary of the City of Monterey to its intersection with the boundary of the City of Del Rey Oaks, thence generally easterly along the North boundary of the City of Del Rey Oaks to its intersection with Fort Ord Military Reservation, thence generally southerly, easterly and northerly along the South boundary of Fort Ord Military Reservation to its first intersection with the Salinas River, thence generally southeasterly along the Salinas River to its intersection of Chualar River Road, thence westerly along the Chualar River Road to its intersection of River Road, thence generally southeasterly along the River Road to its intersection of Limekiln Road, thence generally southwesterly along Limekiln Road to its intersection of an unnamed Road near California Coordinate System, Zone 4 x = 1,256,500 ft., y = 438-000 ft., thence meandering generally southwesterly along said road to its intersection with an unnamed road near California Coordinate System, Zone 4, x = 1,246,900 ft., y = 417,500 ft., thence generally southeasterly along said road to its intersection of Sierra De Salinas Ridge, thence generally southeasterly and southerly along Sierra De Salinas Ridge to its intersection of Tularcitos Creek, thence southwesterly along Tularcitos Creek to its intersection of Tularcitos Road, (also known as Ardilla Grade), thence southeasterly along Tularcitos Road to its intersection of Cachagua Road, thence southerly and westerly along Cachagua Road to its intersection of Tassajara Road

(also known as Jamesburg Road), thence southerly along Tassajara Road to its intersection of Hot Springs Trail, thence easterly along Hot Springs Trail to its intersection of Tassajara Circle, thence generally southeasterly along Tassajara Circle to its intersection of Arroyo Seco Circle, thence generally easterly along Arroyo Seco Circle to its intersection of Indians Road, thence generally northerly along Indians Road to its intersection of Arroyo Seco Road, thence generally easterly, northeasterly and northerly along Arroyo Seco Road to its intersection of El Camino Real (U.S. 101), thence northerly along El Camino Real to its intersection of Salinas River, thence generally easterly and southeasterly along Salinas River to its intersection of San Vincente Grant Line, thence generally easterly along San Vicente Grant Line to its intersection of San Lorenzo Grant Line, thence northerly along San Lorenzo Grant Line to its intersection of Metz-Soledad Road, thence generally northwesterly along Metz-Soledad Road to its intersection of State Highway 146, thence easterly and northerly along State Highway 146 to its intersection with the boundary common to Monterey and San Benito Counties, and

(b) That portion of Santa Clara County lying west and south of the following line:

Beginning at the boundary common to the Counties of Santa Clara and Santa Cruz at Mt. Madonna Road near its intersection with Loma Prieta Road, thence northerly on Mt. Madonna Road to Loma Prieta Road, thence northerly on Loma Prieta Road to the unnamed road leading to Loma Prieta Peak (just north of Uvas Canyon Road), thence meandering along the unnamed road to the top of Loma Prieta Peak, thence northeasterly along an unnamed ridge (including the peak of Mt. Chual) to an unnamed peak (in the vicinity of Coordinates x = 616,400', y = 236,600', California Coordinate System, Zone 3), thence northwesterly along the southeasterly elongation of Larrabee Gulch and along Larrabee Gulch to the Almaden Reservoir, thence westerly along the Almaden Reservoir to the easterly elongation of Hicks Road, thence westerly along the elongation of Hicks Road and northwesterly along Hicks Road to Guadalupe Creek, thence northerly and northwesterly along Guadalupe Creek (including Guadalupe Reservoir) to Pheasant Creek, thence southwesterly along Pheasant Creek to its point of origin, thence westerly along an imaginary line to its intersection with an unnamed ridge (in the vicinity of Coordinates x = 1,583,800 feet, y = 255,500 feet, California Coordinate System, Zone 3), thence northwesterly along the unnamed ridge to the easterly elongation of Limekin Canyon, thence westerly along the easterly elongation of Limekin Canyon to Alma Bridge Road, thence westerly and

southwesterly along Alma Bridge Road to State Highway 17 thence northerly along State Highway 17 to the northeasterly elongation of Trout Creek, thence southwesterly and northwesterly along Trout Creek and its elongation to El Sereno Jeep Trail, thence southwesterly and northwesterly along El Sereno Jeep Trail to Bollman Road (also known as Bohlman Road), thence northwesterly along Bollman Road to an unnamed road in the vicinity of Stuart Boy Scout Camp, thence southwesterly along the unnamed road and its southwesterly elongation to Congress Springs Canyon, thence northwesterly along Congress Springs Canyon to Saratoga Creek, thence westerly along Saratoga Creek to Rowar Creek, thence northwesterly along Rowar Creek and its northwesterly elongation to Table Mountain Ridge, thence meandering generally westerly and northeasterly along Table Mountain Ridge to Martin Way-Winery Road, thence meandering generally northeasterly along Martin Way-Winery Road to an unnamed branch of Stevens Creek, thence northeasterly and northwesterly along the unnamed branch of Stevens Creek to Stevens Creek, thence generally northerly along Stevens Creek to an unnamed creek in the vicinity of the northwest corner of Stevens Creek Park, thence northeasterly along the unnamed creek and its northeasterly elongation to an unnamed peak in an unnamed ridge (in the vicinity of Coordinates x = 1,544,800 feet, y = 291,300 feet, California Coordinate System, Zone 3), thence meandering generally southerly along the unnamed ridge to the easterly elongation of the northern boundary line of Stevens Creek Park, thence easterly along the easterly elongation of the northern boundary of Stevens Creek Park to Prospect Road, thence meandering generally easterly, northeasterly and easterly along the center line of Prospect Road to Saratoga Avenue, thence northeasterly along Saratoga Avenue to Williams Road, thence westerly along Williams Road to Moorpark Avenue, thence westerly along Moorpark Avenue to Lawrence Expressway, thence northerly along Lawrence Expressway to Homestead Road, thence westerly along Homestead Road to Wolfe Road, thence southerly along Wolfe Road to Stevens Creek Boulevard, thence westerly along Stevens Creek Boulevard to Saratoga-Sunnyvale Road, thence northerly along Saratoga-Sunnyvale Road to Homestead Road, thence westerly along Homestead Road to Mary Avenue, thence northerly along Mary Avenue to Fremont Avenue, thence westerly along Fremont Avenue to Stevens Creek Freeway, thence northerly along Stevens Creek Freeway to the easterly elongation of Bryant Avenue, thence west along the easterly elongation of Bryant Avenue and Bryant Avenue to Grant Road, thence northerly along Grant Road to Cuesta

Drive, thence westerly along Cuesta Drive to the boundary common to the Cities of Mountain View and Los Altos, thence northerly in a clockwise direction along the boundary of the City of Mountain View to El Camino Real, thence northwesterly along El Camino Real to Adobe Creek, thence southwesterly along Adobe Creek to an aqueduct (parallel to the northern boundary of Alta Mesa Cemetery), thence southwesterly along the aqueduct to Arastradero Road, thence southwesterly and westerly along Arastradero Road to Page Mill Road, thence southerly along Page Mill Road to Arastradero Road, thence westerly, southwesterly, northwesterly, and southwesterly along Arastradero Road to the boundary common to the Counties of San Mateo and Santa Clara, and

(c) That portion of San Mateo County bounded and described as follows:

Beginning at the intersection of Skyline Boulevard (State Highway 5) with the boundary common to the Counties of San Mateo and Santa Clara, thence northwesterly along Skyline Boulevard to the boundary of the City of Portola Valley, thence in a generally northerly direction along the boundary of the City of Portola Valley to the boundary common to the Cities of Woodside and Portola Valley, thence meandering in a generally northwesterly direction along the boundary of the City of Woodside to the intersection common to San Hill Road and Whiskey Hill Road, thence northwesterly along Whisky Hill Road to Woodside Road, thence westerly along Woodside Road to Canada Road, thence northwesterly along Canada Road to Edgewood Road, thence northeasterly along Edgewood Road to the boundary of the City of Redwood City (just north and west of Yorkshire Lane), thence meandering in clockwise direction along the boundary of the City of Redwood City to the Southern Pacific Railroad, thence southeasterly along the Southern Pacific Railroad to Whipple Avenue, thence southwesterly along Whipple Avenue to Arch Street, thence southeasterly along Arch Street to Broadway, thence easterly along Broadway to El Camino Real, thence southeasterly along El Camino Real to James Avenue, thence southwesterly along James Avenue to Grand Street, thence southeasterly along Grand Street to Harrison Avenue, thence northeasterly along Harrison Avenue to Fulton Street, thence southeasterly along Fulton Street to Jefferson Avenue, thence southwesterly along Jefferson Avenue to Ruby Street, thence southeasterly along Ruby Street to Vera Avenue, thence southwesterly along Vera Avenue to Taft Street, thence southeasterly along Taft Street to Roosevelt Avenue, thence southwesterly along Roosevelt Avenue to Fairview Avenue, thence southeasterly along Fairview Avenue to Redwood Avenue, thence

northeasterly along Redwood Avenue to Virginia Avenue, thence southeasterly along Virginia Avenue to Massachusetts Avenue, thence easterly along Massachusetts Avenue to Woodside Road (also known as State Highway 114), thence northeasterly along Woodside Road to Horgan Avenue, thence southeasterly along Horgan Avenue to the boundary of the City of Atherton, thence meandering in a generally northeasterly and easterly direction along the boundary of the City of Atherton to Bay Road, thence easterly along Bay Road to "H" Avenue, thence southerly along "H" Avenue to First Street, thence southeasterly along First Street to Willow Road, thence northerly along Willow Road to U.S.Highway 101 (also known as Bayshore Freeway), thence southeasterly along U.S. Highway 101 to the northerly elongation of Menalto Avenue, thence southerly along Menalto Avenue and its northerly and southerly elongation to the boundary common to the Counties of San Mateo and Santa Clara, thence meandering in a generally southwesterly and southerly direction along the boundary of the county of San Mateo to the point of beginning, shall constitute the 17th Senatorial District.

30118. The Counties of Kings and Kern, and that portion of San Bernardino County bounded and described as follows:

Beginning at the intersection of the boundary common to Los Angeles and San Bernardino Counties and the Los Angeles Power and Light transmission line (in the vicinity of Coordinates x = 2,096,500 feet, y = 238,500 feet, California Coordinate System, Zone 5), thence generally easterly and northeasterly along the Los Angeles Power and Light transmission line to the south boundary of the San Bernardino National Forest west of Lytle Creek Road, thence easterly along the boundary of the San Bernardino National Forest to Lytle Creek Road, thence southerly along Lytle Creek Road to Citrus Avenue, thence southerly along Citrus Avenue to Highland Avenue, thence easterly along Highland Avenue to Lytle Creek, thence southeasterly along Lytle Creek to Base Line Road, thence westerly along Base Line Road to Meridian Avenue, thence southerly along Meridian Avenue to the boundary of the City of San Bernardino, thence generally westerly along the boundary of the City of San Bernardino to Pepper Avenue (in the vicinity of 9th Street), thence southerly along Pepper Avenue to Foothill Boulevard, thence easterly along Foothill Boulevard to Rancho Avenue, thence southerly along Rancho Avenue to the southwest boundary of the City of San Bernardino, thence generally westerly, southerly and westerly along the boundary of the City of San Bernardino to Meridian Avenue, thence southerly along Meridian Avenue and its southerly elongation to San Bernardino Freeway (also known as Interstate 10), thence

easterly along San Bernardino Freeway to the boundary of the City of Colton (in the vicinity of Rancho Avenue), thence southerly along the boundary of the City of Colton to the western elongation of "O" Street, thence easterly along the western elongation of "O" Street and "O" Street to 3rd Street, thence generally southerly along 3rd Street to La Cadena Drive, thence southerly along La Cadena Drive to the Santa Ana River Wash, thence meandering generally northeasterly along the Santa Ana River Wash to Mt. Vernon Avenue, thence generally northwesterly along Mt. Vernon Avenue to "M" Street, thence generally northerly along "M" Street and the northerly elongation of "M" Street to the San Bernardino Freeway (also known as Interstate 10), thence westerly along the San Bernardino Freeway to Meeks and Daley Ditch, thence generally northerly and northeasterly along Meeks and Daley Ditch to the boundary common to the Cities of Colton and San Bernardino, thence generally northerly along the boundary common to the Cities of Colton and San Bernardino to Colton Avenue, thence northeasterly along Colton Avenue to Mill Street, thence westerly along Mill Street to U. S. Highway 395, thence northerly along U.S. Highway 395 to 2nd Street, thence easterly along 2nd Street to "E" Street, thence southerly along "E" Street to Rialto Avenue, thence easterly along Rialto Avenue to Arrowhead Avenue, thence northerly along Arrowhead Avenue to 9th Street, thence easterly along 9th Street to Waterman Avenue, thence southerly along Waterman Avenue to Mill Street, thence easterly along Mill Street to the southern elongation of the eastern boundary of Norton Air Force Base, thence generally northerly and easterly along the elongation of the boundary of Norton Air Force Base and the boundary of Norton Air Force Base to the southerly elongation of Sterling Avenue, thence northerly along the southerly elongation of Sterling Avenue and Sterling Avenue to Base Line Street, thence westerly along Base Line Street to Interstate 15 (also known as U.S Highway 395), thence northerly along Interstate 15 to State Highway 259, thence generally northerly, northeasterly and easterly along State Highway 259 to State Highway 206, thence generally northerly and northwesterly along State Highway 206 to the boundary of the City of San Bernardino, northwest of Buckboard Drive, thence southwesterly along the boundary of the City of San Bernardino to Interstate 15 and U.S. Highways 66 and 395, thence generally northwesterly and northerly along Interstate 15 to the northern boundary of the San Bernardino National Forest, thence generally westerly along the northern boundary of the San Bernardino National Forest to the Los Angeles Bureau of Power and Light power transmission line (in the vicinity of Coordinates $x = 2,163,500$ feet, $y = 316,500$

feet, California Coordinate System, Zone 5), thence northeasterly along said power line to the Mojave River, thence meandering generally northerly and northeasterly along the Mojave River to Hinkley Road, thence generally northerly along Hinkley Road to Community Boulevard, thence westerly along Community Boulevard to an unnamed road running south from Hidden River Road, thence northerly along said unnamed road to Frontier Road, thence westerly along Frontier Road to Valley View Road, thence northerly along Valley View Road to U.S. Highway 466 (also known as State Highway 58), thence easterly along U.S. Highway 466 to Valley Wells Road, thence northerly along Valley Wells Road and the northern elongation of Valley Wells Road to the Atchison, Topeka and Santa Fe Railroad, thence generally easterly along the Atchison, Topeka & Santa Fe Railroad to Hinckley Road, thence northerly along Hinckley Road to Fossil Bed Road, thence generally northeasterly and southeasterly along Fossil Bed Road to Irwin Road, thence northeasterly along Irwin Road to Yermo Cutoff, thence southeasterly and southerly along Yermo Cutoff to U.S. Highway 466, thence easterly along U.S. Highway 466 to Daggett-Yermo Road, thence southerly along Daggett-Yermo Road to the western elongation of the southern boundary of the Marine Corps Supply Center (Yermo Area), thence easterly along the southern boundary of the Marine Corps Supply Center to its easterly intersection with the Mojave River, thence easterly along the Mojave River to the Los Angeles Bureau of Power and Light power transmission line in the southeast ¼ of Section 4, R. 2 E., T. 9 N., thence northeasterly along said power transmission line to Paradise Springs Road, thence generally northerly and northwesterly along Paradise Springs Road to Irwin Road, thence northeasterly along Irwin Road to Paradise Springs Road, thence generally northwesterly and northerly along Paradise Springs Road to Goldstone Road, thence northeasterly along Goldstone Road to the boundary of the Inyokern Naval Ordnance Test Station, thence generally easterly and northerly along said boundary to the boundary common to Inyo and San Bernardino Counties, thence westerly and southerly along the boundary of San Bernardino County to the Los Angeles power and light transmission line, the point of beginning, shall constitute the 18th Senatorial District.

30119. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of Tarzana Drive and Reseda Boulevard in Los Angeles (in the vicinity of Tarzana), thence southwesterly along Reseda Boulevard and proposed Reseda Boulevard paralleling Caballero Creek to Mullholland Drive,

thence westerly, northerly and generally southerly along Mullholland Drive approximately one mile to a fire road, Coordinates $x = 4{,}119{,}350$ ft., $y = 4{,}158{,}500$ ft., California Coordinate System, Zone 7, thence southerly along the fire road to Temescal Fire Road, thence southeasterly along Temescal Fire Road to Temescal Canyon Road, thence southeasterly along Temescal Canyon Road to Sunset Boulevard, thence southeasterly and generally northeasterly along Sunset Boulevard to Rockingham Avenue, thence southerly along Rockingham Avenue to 26th Street, thence southeasterly along 26th Street to San Vicente Boulevard, thence northeasterly along San Vicente Boulevard to the boundary of the City of Los Angeles, thence northwesterly and generally southeasterly along the boundary of the City of Los Angeles to Wilshire Boulevard, thence northeasterly along Wilshire Boulevard to Warner Avenue, thence southeasterly along Warner Avenue to Thayer Avenue, thence southeasterly along Thayer Avenue to State Route 2 (also known as Santa Monica Boulevard), thence southwesterly along State Route 2 (also known as Santa Monica Boulevard) to Sepulveda Boulevard, thence northwesterly along Sepulveda Boulevard to the boundary of the City of Los Angeles, thence generally southwesterly and northwesterly along the boundary of the City of Los Angeles to Wilshire Boulevard, thence southwesterly along Wilshire Boulevard to Lincoln Boulevard, thence southeasterly along Lincoln Boulevard to the boundary common to the Cities of Santa Monica and Los Angeles, thence southwesterly along the boundary common to the Cities of Santa Monica and Los Angeles to Hampton Drive, thence southeasterly along Hampton Drive to Washington Boulevard, thence southeasterly along Washington Boulevard to Venice Boulevard, thence northeasterly along Venice Boulevard to Walgrove Avenue, thence northwesterly along Walgrove Avenue to 23rd Street, thence southwesterly along 23rd Street to Dewey Street, thence southwesterly along Dewey Street to 21st Street, thence northwesterly along 21st Street to Ocean Park Boulevard, thence southwesterly along Ocean Park Boulevard to 16th Street, thence northwesterly along 16th Street to Pico Boulevard, thence northeasterly along Pico Boulevard to the eastern boundary of the City of Santa Monica, thence southeasterly along the eastern boundary of the City of Santa Monica to Centinela Avenue and Bundy Drive, thence northerly along Bundy Drive to National Boulevard, thence northeasterly along National Boulevard to Overland Avenue, thence southeasterly along Overland Avenue to National Boulevard, thence generally easterly along National Boulevard to Castle Heights Avenue, thence southwesterly along Castle Heights Avenue and its

southwestern elongation to the Southern Pacific Railroad, thence easterly along the Southern Pacific Railroad to the southerly elongation of Robertson Place, thence northeasterly along the southerly elongation of Robertson Place and Robertson Place to Robertson Boulevard, thence northeasterly along Robertson Boulevard to National Boulevard, thence southeasterly along National Boulevard to State Route 10 (also known as Santa Monica Freeway), thence northeasterly along State Route 10 (also known as Santa Monica Freeway) to La Cienega Boulevard, thence southerly along La Cienega Boulevard to La Cienega Avenue, thence southerly along La Cienega Avenue to the northern boundary of the City of Culver City, thence northeasterly and southwesterly along the northern boundary of the City of Culver City to Washington Boulevard, thence northeasterly along Washington Boulevard to Clyde Avenue, thence northeasterly along Clyde Avenue to Venice Boulevard, thence northeasterly along Venice Boulevard to Redondo Boulevard, thence northeasterly along Redondo Boulevard to 12th Street, thence easterly along 12th Street to La Brea Avenue, thence northerly along La Brea Avenue to Edgewood Place, thence northeasterly along Edgewood Place to Mansfield Avenue, thence northeasterly along Mansfield Avenue to 8th Street, thence westerly along 8th Street to La Brea Avenue, thence northerly along La Brea Avenue to the boundary of the City of Los Angeles at Romaine Street, thence east, north, west, and east along the boundary of the City of Los Angeles to an angle point on Fairfax Avenue between De Lonpre Avenue and Sunset Boulevard, thence northerly along Fairfax Avenue to Hollywood Boulevard, thence easterly along Hollywood Boulevard to Sierra Bonita Avenue, thence northerly along Sierra Bonita Avenue to Franklin Avenue, thence easterly along Franklin Avenue to La Brea Avenue, thence northerly along La Brea Avenue to Franklin Avenue, thence easterly along Franklin Avenue to Outpost Drive, thence northerly along Outpost Drive to the most northern intersection of Outpost Circle, thence easterly and southerly along Outpost Circle to Fitch Drive, thence southeasterly and northeasterly along Fitch Drive to Sycamore Avenue, thence northeasterly along Sycamore Avenue to Hillcrest Road, thence southeasterly along Hillcrest Road to Franklin Avenue, thence easterly along Franklin Avenue to Highland Avenue, thence northeasterly along Highland Avenue to Franklin Avenue, thence easterly along Franklin Avenue to Las Palamas Avenue, thence northerly along Las Palamas Avenue to Milner Road, thence northeasterly along Milner Road to the northeastern intersection of Wedgewood Place, thence northerly in a direct line crossing State Route 10 (also known

as Hollywood Freeway) to the southerly termination of Whitley Terrace, thence northerly along Whitley Terrace to Cahuenga Boulevard, thence southeasterly along Cahuenga Boulevard to Franklin Avenue, thence easterly along Franklin Avenue to Normandie Avenue, thence southerly along Normandie Avenue to Hollywood Boulevard, thence easterly along Hollywood Boulevard and Prospect Avenue to Commonwealth Avenue, thence northerly along Commonwealth Avenue to the southern boundary of Griffith Park, thence clockwise along the boundary of Griffith Park to the southeast elongation of Catalina Street on Forest Lawn Drive, thence northerly along the boundary of Griffith Park to the boundary common to the Cities of Los Angeles and Burbank (in the vicinity of Catalina Street), thence northeasterly along the southern boundary of the City of Burbank to the southeasterly elongation of Buena Vista Street, thence northwesterly along the elongation and Buena Vista Street to Magnolia Boulevard, thence southwesterly and westerly along Magnolia Boulevard to Cahuenga Boulevard, thence southerly along Cahuenga Boulevard to Ventura Freeway (also known as U.S. Route 101), thence westerly along Ventura Freeway to Tujunga Avenue, thence northerly along Tujunga Avenue to Camarillo Street, thence west along Camarillo Street to Riverside Drive, thence west along Riverside Drive to Laurel Canyon Boulevard, thence south along Laurel Canyon Boulevard to Moorpark Street, thence west along Moorpark Street to Fulton Avenue, thence south along Fulton Avenue to the Los Angeles River, thence northwesterly along the Los Angeles River to the easterly elongation of Magnolia Boulevard (in the vicinity of the San Diego Freeway), thence west along the elongation of Magnolia Boulevard and Magnolia Boulevard to Balboa Boulevard, thence southerly along Balboa Boulevard to Balboa Avenue, thence southwesterly along Balboa Avenue to Rancho Street, thence westerly along Rancho Street to Louise Avenue, thence southerly along Louise Avenue to Rancho Street, thence westerly along Rancho Street to White Oak Avenue, thence westerly and northerly along White Oak Avenue to Valley Vista Boulevard, thence westerly along Valley Vista Boulevard to Nestle Avenue, thence northerly along Nestle Avenue to Tarzana Street, thence northwesterly on a direct line from the intersection of Nestle Avenue and Tarzana Street to the intersection of Avenida Oriente and Tarzana Drive, thence westerly along Tarzana Drive to Reseda Boulevard, the point of beginning, shall constitute the 19th Senatorial District.

30120. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of Temple Street and Hoover

Street, thence southerly along Hoover Street to 6th Street, thence southeasterly along 6th Street to Lafayette Park Place, thence southwesterly along Lafayette Park Place to Hoover Street, thence southerly along Hoover Street to San Marino Street, thence southeasterly along San Marino Street to Carondelet Street, thence southwesterly along Carondelet Street to Hoover Street, thence southerly along Hoover Street to Jefferson Boulevard, thence southeasterly along Jefferson Boulevard to Central Avenue, thence southwesterly along Central Avenue to 33rd Street, thence easterly along 33rd Street to Hooper Avenue, thence southerly along Hooper Avenue to 33rd Street, thence southeasterly along 33rd Street to Compton Avenue, thence southwesterly along Compton Avenue to 41st Street, thence easterly along 41st Street to Compton Avenue, thence southerly along Compton Avenue to Vernon Avenue, thence easterly along Vernon Avenue to the west boundary of the City of Vernon, thence northerly and easterly along the boundary of the City of Vernon to the west boundary of the City of Commerce, thence southerly and southeasterly along the west and south boundary of the City Commerce to Atlantic Avenue, thence northeasterly along Atlantic Avenue to the north boundary of the City of Commerce, generally, northerly and easterly along the boundary of the City of Commerce to Gerhart Avenue, thence northerly along Gerhart Avenue to Whittier Boulevard, thence easterly along Whittier Boulevard to Simmons Avenue, thence northerly along Simmons Avenue to 6th Street, thence easterly along 6th Street to Bradshaw Street, thence northerly along Bradshaw Street to Repetto Street, thence northwesterly along Repetto Street to Gerhart Avenue, thence northerly along Gerhart Avenue to 3rd Street, thence westerly along 3rd Street to Mednik Avenue, thence northerly along Mednik Avenue to the south boundary of the City of Monterey Park, thence westerly, northerly and easterly along the west and north boundary of the City of Monterey Park to Atlantic Boulevard (in the vicinity of Hellman Avenue), thence northerly along Atlantic Boulevard to Main Street, thence northeasterly along Main Street to the west boundary of the City of San Gabriel, thence southerly and easterly along the west boundary of the City of San Gabriel to its intersection with the westerly elongation of Grand Avenue, thence easterly along the westerly elongation of Grand Avenue to Ramona Street, thence southerly along Ramona Street to Fairview Avenue, thence easterly along Fairview Avenue to San Gabriel Boulevard, thence northerly along San Gabriel Boulevard to Grand Avenue, thence easterly along Grand Avenue to the west boundary of the City of Rosemead, thence in a clockwise direction along the west and north boundary of the City of Rosemead to Temple City

Boulevard, thence northerly along Temple City Boulevard to Lower Azusa Road, thence easterly along Lower Azusa Road to El Monte Avenue, thence northerly along El Monte Avenue to Live Oak Avenue, thence easterly along Live Oak Avenue to Santa Anita Avenue, thence north along Santa Anita Avenue to Longden Avenue, thence westerly along Longden Avenue to the boundary of the City of San Gabriel at San Gabriel Boulevard, thence counter clockwise along the boundary of the City of San Gabriel to its intersection with the boundary of the City of San Marino at Alhambra Road, thence clockwise along the boundary of the City of San Marino to Mission Street, thence westerly along Mission Street to Arroyo Drive, thence southwesterly along Arroyo Drive to Pasadena Avenue, thence westerly along Pasadena Avenue to the westerly boundary of the City of South Pasadena, thence generally northerly along the west boundary of the City of South Pasadena to the boundary of the City of Pasadena, thence generally northerly and westerly along the boundary of the City of Pasadena to 64th Avenue, thence generally southerly and southwesterly to Marmion Way, thence northwesterly and southwesterly along Marmion Way and its elongation to Figueroa Street, thence southwesterly along Figueroa Street to Avenue 56, thence northwesterly along Avenue 56 to Monte Vista Street, thence southwesterly along Monte Vista Street to Avenue 50, thence southeasterly along Avenue 50 to Figueroa Street, thence generally southerly along Figueroa Street to Sycamore Park Drive, thence southeasterly along Sycamore Park Drive to the Union Pacific Railroad, thence southwesterly along the Union Pacific Railroad to Avenue 44, thence northwesterly along Avenue 44 to Figueroa Street, thence southwesterly along Figueroa Street to Avenue 44, thence northwesterly along Avenue 44 and its elongation to Marmion Way, thence generally southerly along Marmion Way to Figueroa Street, thence southwesterly along Figueroa Street to Amabel Street, thence northwesterly along Amabel Street to Isabel Street, thence generally northwesterly along Isabel Street to Granada Street, thence southwesterly along Granada Street to Cypress Avenue, thence southeasterly along Cypress Avenue to Granada Street, thence southwesterly along Granada Street and its elongation to the Los Angeles River, thence southerly along the Los Angeles River to State Route 5 (also known as the Golden State Freeway), thence northwesterly along State Route 5 to Riverside Drive (east alignment), thence northerly along (paralleling State Route 5 on the east) to its intersection with the northeasterly elongation of Academy Drive (between Riverdale Avenue and Glover Place), thence southwesterly along the elongation of Academy Drive (passing thru Elysian Park) and Academy Drive to Boylston

Street, thence southwesterly along Boylston Street to Stadium Way, thence southwesterly along Stadium Way to Lilac Terrace, thence northwesterly along Lilac Terrace to Sunset Boulevard, thence northwesterly along Sunset Boulevard to Glendale Boulevard, thence southwesterly along Glendale Boulevard to Temple Street, thence northwesterly along Temple Street to Hoover Street, the point of beginning, shall constitute the 20th Senatorial District.

30121. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of Sunland Boulevard and Clybourn Avenue in the City of Los Angeles (in the vicinity of Sun Valley), thence northeasterly along Sunland Boulevard to the Power Transmission Line (near Green Verdugo Drive), thence southeasterly along the Power Transmission Line (along the crest of the Verdugo Mountains) to Green Verdugo Fire Road (in the vicinity of the southerly elongation of Oro Vista Avenue), thence easterly along Green Verdugo Fire Road to Woodward Avenue (westerly alignment), thence northerly along Woodward Avenue to Glenties Lane, thence northwesterly along Glenties Lane to McGoarty Street, thence easterly along McGoarty Street to Mt. Gleason Avenue, thence northerly along Mt. Gleason Avenue to Valmont Street, thence easterly along Valmont Street to Betty Lou Lane, thence north along Betty Lou Lane to Apperson Street, thence easterly along Apperson Street to Foothill Boulevard, thence northwesterly along Foothill Boulevard to Machrea Street, thence easterly along Machrea Street to Irma Avenue, thence northerly along Irma Avenue to Hill Rose Street, thence easterly along Hill Rose Street to Plainview Avenue, thence northerly along Plainview Avenue to Mt. Gleason Avenue, thence northeasterly along Mt. Gleason Avenue to Big Tujunga Canyon Road, thence easterly along Big Tujunga Canyon Road to Angeles Forest Highway, thence northeasterly along Angeles Forest Highway to Pacifico Mountain Road at Mill Creek Summit, thence southeasterly along Pacifico Mountain Road to the South Fork of Little Rock Creek at Adler Saddle, thence northeasterly along South Fork of Little Rock Creek to Little Rock Creek, thence northerly along Little Rock Creek to Alimony Truck Trail near Sycamore Campground in Section 19, T. 4 N., R., 10 W., S.B.B. & M., thence northerly along Alimony Truck Trail to 96th Street East (in the vicinity of the Section corner common to Sections, 5, 6, 7, and 8, T. 4 N., R. 10 W., S.B.B. & M., thence southerly along 96th Street to Cima Mesa Road, thence southeasterly along Cima Mesa Road to 106th Street East, thence southerly along 106th Street East, to Juniper Hills Road, thence southeasterly and easterly along Juniper Hills Road to 131st Street East, thence northerly along

131st Street East to Pallett Creek Road, thence easterly along Pallett Creek Road to Valyermo Road, thence southeasterly along Valyermo Road to Bobs Gap Road, thence northerly along Bobs Gap Road to 165th Street East, thence northerly along 165th Street East to the First Standard Parallel North S.B.B. & M., thence easterly along the First Standard Parallel North to the intersection of the boundary common to the Counties of Los Angeles and San Bernardino, thence southerly in a clockwise direction along the boundary of the County of Los Angeles to the joint Union Pacific and Southern Pacific Railroad (in the vicinity of 1st Street-State Street in Pomona), thence westerly along the Union Pacific and Southern Pacific Railroad to San Antonio Avenue, thence northerly along San Antonio Avenue to Holt Avenue, thence easterly along Holt Avenue to San Antonio Avenue, thence northerly along San Antonio Avenue to State Route 10 (also known as San Bernardino Freeway), thence southwesterly along State Route 10 to the east bound off-ramp to Burdick Drive, thence easterly along the east bound off-ramp to Burdick Drive, thence southwesterly along Burdick Drive to Huntington Boulevard, thence southerly along Huntington Boulevard to Laurel Avenue, thence westerly along Laurel Avenue to Dudley Street, thence northwesterly along Dudley Street to State Route 10 (also known as San Bernardino Freeway), thence westerly along State Route 10 to Ganesha Boulevard, thence northeasterly along Ganesha Boulevard to boundary of the City of Pomona, thence northwesterly along the boundary of the City of Pomona to the boundary common to the Cities of Pomona and San Dimas, thence in a counter-clockwise direction (generally northerly) along the boundary of the City of San Dimas to Bonita Avenue, thence easterly along Bonita Avenue to Sedalia Avenue, thence northeasterly along Sedalia Avenue to Gladstone Street, thence northwesterly along Gladstone Street to Grand Avenue (also known as Damien), thence northeasterly along Grand Avenue to Foothill Boulevard, thence northwesterly along Foothill Boulevard to the southerly elongation of Romola Avenue, thence northerly along the southerly elongation of Romola Avenue and Romola Avenue to San Dimas Canyon Road, thence northeasterly along San Dimas Canyon Road to the south line of Section 24, T. 1 N., R. 9 W., S.B.B. & M., thence westerly along the south line of said Section 24 to the easterly boundary of the City of San Dimas, thence northerly, westerly, and southerly along the north boundary of the City of San Dimas to Foothill Boulevard, thence westerly along Foothill Boulevard to Loraine Avenue, thence north along Loraine Avenue to Foothill Boulevard, thence east along Foothill Boulevard to Amelia Avenue, thence north along Amelia Avenue and its northern

elongation to the easterly line of Section 21, T. 1 N., R. 9 W., S.B.B. & M., thence northerly along the easterly line of Section 21, T. 1 N., R. 9 W., S.B.B. & M., to the southerly line of Section 16, T. 1 N., R. 9 W., S.B.B. & M., thence westerly along the southerly line of Section 16, 17, and 18, T. 1 N., R. 9 W., S.B.B. & M., and Section 13, 14 and 15, T. 1 N., R. 10 W., S.B.B. & M., to the boundary of the City of Duarte, thence northerly and westerly along the boundary of the City of Duarte to the boundary of the City of Monrovia at the northwesterly corner of Section 8, T. 1 N., R. 10 W., S.B.B. & M., thence westerly and southerly along the boundary of the City of Monrovia to the north boundary of the City of Arcadia, thence westerly along the boundary of the City of Arcadia to the boundary of the City of Sierra Madre at the northwesterly corner of Section 15, T. 1 N., R. 11 W., S.B.B. & M., thence southerly along the boundary of the City of Sierra Madre to Santa Anita Avenue, thence southerly along Santa Anita Avenue to Duarte Road, thence easterly along Duarte Road to 5th Avenue, thence northerly along 5th Avenue to Colorado Boulevard, thence easterly along Colorado Boulevard to Ivy Avenue, thence southerly along Ivy Avenue to the westerly elongation of Olive Avenue, thence easterly along the westerly elongation of Olive Avenue and Olive Avenue to Shamrock Avenue, thence southerly along Shamrock Avenue to Huntington Drive, thence easterly along Huntington Drive to Mountain Avenue, thence southerly along Mountain Avenue to the joint Santa Fe and Southern Pacific Railroad, thence westerly along the Santa Fe and Southern Pacific Railroad to Shamrock Avenue, thence southerly along Shamrock Avenue to the boundary of the City of Monrovia at Hurstview Avenue as it existed on June 1, 1969, thence clockwise along said boundary of the City of Monrovia to the easterly right-of-way line of Peck Road (in the vicinity of El Norte Street), thence westerly across Peck Road to the intersection of the boundary of the City of Monrovia with the westerly right-of-way line of Peck Road, thence westerly and southwesterly along the boundary of the City of Monrovia to its intersection with the boundary of the City of Arcadia, thence southwesterly along the boundary of the City of Arcadia to Live Oak Avenue, thence westerly along Live Oak Avenue to Santa Anita Avenue, thence northerly along Santa Anita Avenue to Longden Avenue, thence westerly along Longden Avenue to the boundary of the City of San Gabriel at San Gabriel Boulevard, thence counter-clockwise along the boundary of the City of San Gabriel to its intersection with the boundary of the City of San Marino at Alhambra Road, thence clockwise along the boundary of the City of San Marino to Mission Street, thence westerly along Mission Street to Arroyo Drive, thence southwesterly along Arroyo Drive to Pasadena

Avenue, thence westerly along Pasadena Avenue to the westerly boundary of the City of South Pasadena, thence clockwise along the boundary of the City of South Pasadena to its intersection with the boundary of the City of Pasadena, thence clockwise along the boundary of the City of Pasadena, to State Route 134 (also known as Ventura Freeway), thence northeasterly along State Route 134 to State Route 248 (also known as Colorado Boulevard), thence easterly along State Route 248 to Lake Avenue, thence northerly along Lake Avenue to Loma Alta Drive, thence northeasterly along the northeasterly elongation of Loma Alta Drive to Las Flores Canyon, thence northerly along Las Flores Canyon to the most northerly Power Transmission Line in the South East ¼, Section 34, T. 2 N., R. 12 W., S.B.B. & M., thence northwesterly along the most northerly Power Transmission Line to the boundary of the City of Pasadena in Arroyo Seco Canyon, thence counter clockwise along the boundary of the City of Pasadena to its intersection with the boundary common to the Cities of Glendale and Los Angeles (near Eagle Rock Reservoir), thence westerly along the boundary common to the Cities of Glendale and Los Angeles to the northerly elongation of Highland View Avenue (in the vicinity of Sleepy Hollow Drive), thence southerly along the northerly elongation of Highland View Avenue and Highland View Avenue to Hill Drive, thence easterly on Hill Drive to Highland View Avenue, thence southerly along Highland View Drive to Colorado Boulevard, thence westerly along Colorado Boulevard to Ellenwood Drive, thence southerly along Ellenwood Drive to Fair Park Avenue, thence easterly along Fair Park Avenue to Ellenwood Drive, thence southerly along Ellenwood Drive to Avenue 45, thence northwesterly along Avenue 45 to College View Avenue, thence northeasterly along College View Avenue to Langdale Avenue, thence westerly along Langdale Avenue to Medlow Avenue, thence northerly along Medlow Avenue to Range Road, thence southwesterly along Range Road to Delevan Drive, thence northerly along Delevan Drive to Delor Road, thence westerly along Delor Road to Wawona Street, thence northerly along Wawona Street to Palmer Drive, thence northerly and westerly along Palmer Drive to Round Top Drive, thence northerly along Round Top Drive to the boundary common to the Cities of Glendale and Los Angeles, thence clockwise along the boundary of the City of Glendale to Adams Street, thence northwesterly along Adams Street to Palmdale Avenue, thence east along Palmer Avenue to Adams Street, thence northerly along Adams Street to Broadway, thence westerly along Broadway to Central Avenue, thence northerly along Central Avenue to Broadway, thence westerly along Broadway to the boundary

common to the Cities of Glendale and Los Angeles near San Fernando Road, thence counter-clockwise along the boundary of the City of Los Angeles to the southeasterly elongation of Buena Vista Street, thence northwesterly along the southeasterly elongation of Buena Vista Street and Buena Vista Street to Magnolia Boulevard, thence northeasterly along Magnolia Boulevard to Mariposa Street, thence northwesterly along Mariposa Street to Burbank Boulevard, thence northeasterly along Burbank Boulevard to the Southern Pacific Railroad, thence northwesterly along the Southern Pacific Railroad to the southerly elongation of Arcola Avenue, thence north along the southerly elongation of Arcola Avenue and Arcola Avenue to Arminta Street, thence northeasterly along Arminta Street and its northeasterly elongation to Glen Oaks Boulevard, thence northwesterly along Glen Oaks Boulevard to the southerly elongation of Wheatland Avenue, thence northerly along the southerly elongation of Wheatland Avenue and Wheatland Avenue to Tuxford Street, thence westerly along Tuxford Street to Tuxford Place, thence westerly along Tuxford Place to Sunland Boulevard, thence northerly along Sunland Boulevard to Clybourn Avenue, the point of beginning shall constitute the 21st Senatorial District.

30122. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of State Highway 14 (also known as Sierra Highway) with the northern boundary of the City of Los Angeles, thence easterly, southerly and southeasterly along the northern boundary of the City of Los Angeles to Little Tujunga Canyon, thence southerly along Little Tujunga Canyon and Little Tujunga Wash to the eastern shore of Hansen Flood Control Basin, thence easterly along the Hansen Flood Control Basin shoreline to the northerly elongation of Clybourn Avenue, thence southeasterly along the elongation of Clybourn Avenue and Clybourn Avenue to Stonehurst Avenue, thence southerly along Stonehurst Avenue to Clybourn Avenue, thence southerly along Clybourn Avenue to Sunland Boulevard, thence southerly along Sunland Boulevard to Tuxford Place, thence easterly along Tuxford Place to Tuxford, thence easterly along Tuxford Street to Wheatland Avenue, thence southerly along Wheatland Avenue and its southerly elongation to Glen Oaks Boulevard, thence southeasterly along Glen Oaks Boulevard to northeasterly elongation of Arminta Street, thence southwesterly along the northeasterly elongation and Arminta Street to Arcola Avenue, thence southerly along Arcola Avenue and its southerly elongation to the Southern Pacific Railroad, thence southeasterly along the Southern Pacific Railroad to Burbank Boulevard, thence

southwesterly along Burbank Boulevard to Mariposa Street, thence southeasterly along Mariposa Street to Magnolia Boulevard, thence southwesterly and westerly along Magnolia Boulevard to Cahuenga Boulevard, thence southerly along Cahuenga Boulevard to Ventura Freeway (also know as U.S. Route 101), thence westerly along Ventura Freeway to Tujunga Avenue, thence northerly along Tujunga Avenue to Camarillo Street, thence westerly along Camarillo Street to Riverside Drive, thence westerly along Riverside Drive to Laurel Canyon Boulevard, thence southerly along Laurel Canyon Boulevard to Moorpark Street, thence westerly along Moorpark Street to Fulton Avenue, thence southerly along Fulton Avenue to the Los Angeles River, thence northwesterly along the Los Angeles River to the easterly elongation of Magnolia Boulevard (in the vicinity of the San Diego Freeway), thence westerly along the elongation of Magnolia Boulevard and Magnolia Boulevard to Balboa Boulevard, thence southerly along Balboa Boulevard to Balboa Avenue, thence southwesterly along Balboa Avenue to Rancho Street, thence westerly along Rancho Street to Louise Avenue, thence southerly along Louise Avenue to Rancho Street, thence westerly along Rancho Street to White Oak Avenue, thence northwesterly and northerly along White Oak Avenue to the Southern Pacific Railroad, thence easterly and northeasterly along the Southern Pacific Railroad to Balboa Boulevard, thence northerly along Balboa Boulevard to Victory Boulevard, thence easterly along Victory Boulevard to Van Nuys Boulevard, thence northerly along Van Nuys Boulevard to Sherman Way, thence westerly along Sherman Way to Sepulveda Boulevard, thence northerly along Sepulveda Boulevard to Roscoe Boulevard, thence westerly along Roscoe Boulevard to Balboa Boulevard, thence northerly along Balboa Boulevard to Lisette Street, thence westerly along Lisette Street to Jolette Avenue, thence westerly along Jolette Avenue to Sesnon Boulevard, thence westerly along Sesnon Boulevard to Aliso Creek, thence northwesterly along Aliso Creek to the boundary of the City of Los Angeles, thence northwesterly, southeasterly and northeasterly along the northern boundary of the City of Los Angeles to State Highway 14, the point of beginning, shall constitute the 22nd Senatorial District.

30123. All that portion of Los Angeles County bounded and described as follows:

Beginning at the intersection of the boundary common to the Counties of Los Angeles, Kern and Ventura, thence in a counter-clockwise direction along the boundary of the County of Los Angeles to Little Sycamore Canyon Road; thence southeasterly along Little Sycamore Canyon Road to Mulholland Highway, thence easterly along Mulholland

Highway to Backus Road, (also known as Latigo Canyon Road), thence southerly along Backus Road to Latigo Canyon Road, thence southeasterly along Latigo Canyon Road to the north line of Section 20, T. 1 S., R. 18 W., S.B.B. & M. (in the vicinity of the northwest corner of the northeast ¼ of Section 20), thence easterly along the north line of Sections 20, 21, 22, 23 and 24 of T. 1 S, R 18 W. S.B.B. & M. and continuing east along the north line of Section 19, T. 1 S, R. 17 W, S.B.B. & M to Malibu Canyon Road, thence northerly along Malibu Canyon Road to Piuma Road, thence southeasterly along Piuma Road to Cold Canyon Road, thence northeasterly along Cold Canyon Road to Mulholland Highway, thence northeasterly along Mulholland Highway to Dry Canyon Cold Creek Road (in the vicinity of the northeast corner of Section 9, T. 1 S. R. 17 W., S.B.B.&M.), thence northeasterly and northerly along Dry Canyon Cold Creek Road approximately 0.4 mile to Mulholland Highway, thence northeasterly along Mulholland Highway to Old Topanga Canyon Road, thence northerly along Old Topanga Canyon Road to the boundary of the City of Los Angeles at Val Mar Road, thence easterly along the boundary of the City of Los Angeles to Mulholland Highway, thence northerly along Mulholland Highway to Mulholland Drive, thence westerly along Mulholland Drive to San Feliciano Drive, thence northeasterly along San Feliciano Drive to Cerrillos Drive, thence northwesterly and northeasterly along Cerrillos Drive to Quinta Road, thence northwesterly along Quinta Road and its elongation to Azucena Road, thence continuing westerly along Quinta Road to Reforma Road, thence northerly along Reforma Road to Cass Avenue, thence northeasterly along Cass Avenue to Sale Avenue, thence northwesterly along Sale Avenue to State Route 101 (also known as Ventura Freeway), thence easterly along State Route 101 to White Oak Avenue, thence northerly along White Oak Avenue to the Southern Pacific Railroad, thence easterly and northeasterly along the Southern Pacific Railroad to Balboa Boulevard, thence north along Balboa Boulevard to Victory Boulevard, thence east along Victory Boulevard to Van Nuys Boulevard, thence north along Van Nuys Boulevard to Sherman Way, thence west along Sherman Way to Sepulveda Boulevard, thence north along Sepulveda Boulevard to Roscoe Boulevard, thence west along Roscoe Boulevard to Balboa Boulevard, thence north along Balboa Boulevard to Lisette Street, thence westerly along Lisette Street to Jolette Avenue, thence westerly along Jolette Avenue to Sesnon Boulevard, thence westerly along Sesnon Boulevard to Aliso Creek, thence northwesterly along Aliso Creek to its intersection with the boundary of the City of Los Angeles, thence northwesterly, southeasterly and northeasterly along the northern boundary

of the City of Los Angeles to State Highway 14 (also known as Sierra Highway), thence easterly, southerly and southeasterly along the northern boundary of the City of Los Angeles to Little Tujunga Canyon, thence southerly along Little Tujunga Canyon and Little Tujunga Wash to the eastern shore of Hansen Flood Control Basin, thence easterly along the Hansen Flood Control Basin shoreline to the northerly elongation of Clybourn Avenue, thence southeasterly along the elongation of Clybourn Avenue and Clybourn Avenue to Stonehurst Avenue, thence southerly along Stonehurst Avenue to Clybourn Avenue, thence southerly along Clybourn Avenue to Sunland Boulevard, thence northeasterly along Sunland Boulevard to the power transmission line (near Green Verdugo Drive), thence southeasterly along the power transmission line to Green Verdugo Fire Road (in the vicinity of the southerly elongation of Oro Vista Avenue), thence easterly along Green Verdugo Fire Road to Woodward Avenue (westerly alignment), thence northerly along Woodward Avenue to Glenties Lane, thence northwesterly along Glenties Lane to McGoarty Street, thence easterly along McGoarty Street to Mt. Gleason Avenue, thence northerly along Mt. Gleason Avenue to Valmont Street, thence easterly along Valmont Street to Betty Lou Lane, thence north along Betty Lou Lane to Apperson Street, thence easterly along Apperson Street to Foothill Boulevard, thence northwesterly along Foothill Boulevard to Machrea Street, thence easterly along Machrea Street to Irma Avenue, thence northerly along Irma Avenue to Hill Rose Street, thence easterly along Hill Rose Street to Plainview Avenue, thence northerly along Plainview Avenue to Mt. Gleason Avenue, thence northeasterly along Mt. Gleason Avenue to Big Tujunga Canyon Road, thence easterly along Big Tujunga Canyon Road to Angeles Forest Highway, thence northeasterly along Angeles Forest Highway to Pacifico Mountain Road at Mill Creek Summit, thence southeasterly along Pacifico Mountain Road to the South Fork of Little Rock Creek at Adler Saddle, thence northeasterly along South Fork of Little Rock Creek to Little Rock Creek, thence northerly along Little Rock Creek to Alimony Truck Trail near Sycamore Campground in Section 19 T 4 N. R. 10W, S.B. B& M, thence northerly along Alimony Truck Trail to 96th Street East (in the vicinity of the Section corner common to Sections 5, 6, 7 & 8, T4N, R 10 W, S.B.B.&M., thence southerly along 96th Street to Cima Mesa Road, thence southeasterly along Cima Mesa Road to 106th Street East, thence southerly along 106th Street East to Juniper Hills Road, thence southeasterly and easterly along Juniper Hills Road to 131st Street East, thence northerly along 131st Street East to Pallett Creek Road, thence easterly along

Pallett Creek Road to Valyermo Road, thence southeasterly along Valyermo Road to Bobs Gap Road, thence northerly along Bobs Gap Road to 165th Street East, thence northerly along 165th Street East to the First Standard Parallel North S.B.B.&M, thence easterly along the First Standard Parallel North to the intersection of the boundary common to the counties of Los Angeles and San Bernardino, thence in a counter-clockwise direction along the boundary of the County of Los Angeles to the intersection of the boundary common to the Counties of Los Angeles, Kern and Ventura, the point of beginning, shall constitute the 23rd Senatorial District.

30124. Santa Barbara County and that portion of Ventura County lying generally northerly and westerly of the following described line:

Beginning at the intersection of the Pacific Ocean and the boundary common to the Cities of Oxnard and Port Hueneme (in the vicinity of Coordinates x = 1,639,600 feet, y = 234,600 feet, California Coordinate System, Zone 5), thence northeasterly, southeasterly and northerly along the boundary of the City of Oxnard to Hueneme Road, thence easterly along Hueneme Road to the Ventura County Railway, thence northeasterly and northerly along the Ventura County Railway to Channel Islands Boulevard, thence westerly along Channel Islands Boulevard to "J" Street, thence generally northerly along "J" Street to East Wooley Road, thence westerly along East Wooley Road to Ventura Road, thence northerly along Ventura Road to U.S. Highway 101 (also known as Ventura Freeway), thence easterly along U.S. Highway 101 to Las Posas Road, thence northerly and northeasterly along Las Posas Road to the Southern Pacific Railroad, thence southwesterly along the Southern Pacific Railroad to U.S. Highway 101, thence easterly and southeasterly along U.S. Highway 101 to Old Conejo Road, thence southerly and easterly along Old Conejo Road to Reino Road, thence southerly along Reino Road to Potrero Road, thence easterly along Potrero Road to the intersection of Potrero Road, Wendy Drive, and the boundary of the City of Thousand Oaks, thence generally easterly along the boundary of the City of Thousand Oaks to Rancho Road, thence northeasterly along Rancho Road to U.S. Highway 101 (also known as the Ventura Freeway), thence southeasterly along U.S. Highway 101 to Westlake Boulevard, thence generally northerly along Westlake Boulevard to Erbes Road (also known as Lang Ranch Road) thence southwesterly along Erbes Road to the section line common to Sections 35 and 36, T. 2 N., R 19 W., S.B.B.&M., thence northerly along the section line common to Sections 35 and 36 and its continuation as the line common to Sections 26 and 25 to the

Rancho Simi grant boundary (in the vicinity of the southeast ¼, Section 26, T. 2 N., R. 19 W., S.B.B.&M.), thence southeasterly along the Rancho Simi grant boundary to the boundary common to the City of Thousand Oaks and Ventura County, thence northerly along the boundary of Thousand Oaks in a counter clockwise fashion to a point in common to Sections 16, 15, 21 and 22, T. 2 N., R. 19 W., S.B.B.&M., thence northerly along the section line common to Sections 16 and 15 to Las Rosas Hills Divide, thence generally westerly along Las Rosas Hills Divide to an unnamed ridge (in the vicinity of Coordinates x = 1,715,300 feet, y = 275,750 feet, California Coordinate System, Zone 5), thence northeasterly along the unnamed ridge to a storm drain extension (in the vicinity of Coordinates x = 1,720,700 feet, y = 279,300 feet, California Coordinate System, Zone 5), thence northwesterly along the storm drain extension and the storm drain to the Southern Pacific Railroad, thence northeasterly along the Southern Pacific Railroad to Grimes Canyon Road, thence northwesterly and northeasterly along Grimes Canyon Road to Broadway, thence westerly along Broadway to Shekell Road, thence northerly along Shekell Road to Stockton Road, thence southwesterly along Stockton Road to an unnamed canyon (in the vicinity of the southwest ¼, Section 19, T. 3 N., R. 19 W., S.B.B.&M.), thence northerly along the unnamed canyon to the Oak Ridge Divide (in the vicinity of the southwest ¼, Section 18, T. 3 N., R. 19 W., S.B.B.&M.), thence northeasterly and easterly along the Oak Ridge Divide to an unnamed private road located in the vicinity of the northwest ¼, Section 7, T. 3 N., R. 18 W., S.B.B.&M.), thence northeasterly and generally easterly along the unnamed private road which follows the Oak Ridge-Santa Susana Mountain Divide to the boundary common to Ventura and Los Angeles Counties (in the vicinity of Coordinates x = 1,798,000 feet, y = 313,800 feet, California Coordinate System, Zone 5), shall constitute the 24th Senatorial District.

30125. All that portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of the boundary common to the Counties of Los Angeles and Ventura, and Little Sycamore Canyon Road, thence southeasterly along Little Sycamore Canyon Road to Mulholland Highway, thence easterly along Mulholland Highway to Backus Road (also known as Latigo Canyon Road), thence southerly along Backus Road to Latigo Canyon Road, thence southeasterly along Latigo Canyon Road to the north line of Section 20, T. 1 S., R. 18 W., S.B.B. & M., (in the vicinity of the North West corner of the North East ¼ of Section 20), thence easterly along the north line of Sections 20, 21, 22, 23, and 24 of T. 1 S., R. 18 W., S.B.B. & M., and continuing east along the north line

of Section 19, T. 1 S., R. 17 W., S.B.B. & M., to Malibu Canyon Road, thence northerly along Malibu Canyon Road to Piuma Road, thence southeasterly along Piuma Road to Cold Canyon Road, thence northeasterly along Cold Canyon Road to Mulholland Highway, thence northeasterly along Mulholland Highway to Dry Canyon Cold Creek Road (in the vicinity of the North East corner of Section 9, T. 1 S., R. 17 W., S.B.B. & M.), thence northeasterly and northerly along Dry Canyon Cold Creek Road approximately 0.4 mile to Mulholland Highway, thence northeasterly along Mulholland Highway to Old Topanga Canyon Road, thence northerly along Old Topanga Canyon Road to the boundary of the City of Los Angeles at Val Mar Road, thence easterly along the boundary of the City of Los Angeles to Mulholland Highway, thence northerly along Mulholland Highway to Mulholland Drive, thence westerly along Mulholland Drive to San Feliciano Drive, thence northeasterly along San Feliciano Drive to Cerrillos Drive, thence northwesterly and northeasterly along Cerrillos Drive to Quinta Road, thence northwesterly along Quinta Road and its elongation to Azucena Road, thence continuing westerly along Quinta Road to Reforma Road, thence northerly along Reforma Road to Cass Avenue, thence northeasterly along Cass Avenue to Sale Avenue, thence northwesterly along Sale Avenue to State Route 101 (also known as Ventura Freeway), thence easterly along State Route 101 to White Oak Avenue, thence southerly along White Oak Avenue to Valley Vista Boulevard, thence westerly along Valley Vista Boulevard to Nestle Avenue, thence northerly along Nestle Avenue to Tarzana Street, thence northwesterly on a direct line from the intersection of Nestle Avenue and Tarzana Street to the intersection of Avenida Oriente and Tarzana Drive, thence westerly along Tarzana Drive to Reseda Boulevard, thence southwesterly along Reseda Boulevard and proposed Reseda Boulevard paralleling Caballero Creek to Mulholland Drive, thence westerly, northerly and generally southerly along Mulholland Drive approximately one mile to a fire road, Coordinates x = 4,119,350 feet, y = 4,158,500 feet, California Coordinate System, Zone 7, thence southerly along the fire road to Temescal Fire Road, thence southeasterly along Temescal Fire Road to Temescal Canyon Road, thence southeasterly along Temescal Canyon Road to Sunset Boulevard, thence southeasterly and generally northeasterly along Sunset Boulevard to Rockingham Avenue, thence southerly along Rockingham Avenue to 26th Street, thence southeasterly along 26th Street to San Vicente Boulevard, thence northeasterly along San Vicente Boulevard to the boundary of the City of Los Angeles, thence northwesterly and generally southeasterly along the boundary of the City of Los Angeles

to Wilshire Boulevard, thence northeasterly along Wilshire Boulevard to Warner Avenue, thence southeasterly along Warner Avenue to Thayer Avenue, thence southeasterly along Thayer Avenue to State Route 2 (also known as Santa Monica Boulevard), thence southwesterly along State Route 2 (also known as Santa Monica Boulevard) to Sepulveda Boulevard, thence northwesterly along Sepulveda Boulevard to the boundary of the City of Los Angeles, thence generally southwesterly and northwesterly along the boundary of the City of Los Angeles to Wilshire Boulevard, thence southwesterly along Wilshire Boulevard to Lincoln Boulevard, thence southeasterly along Lincoln Boulevard to the boundary common to the Cities of Santa Monica and Los Angeles, thence southwesterly along the boundary common to the Cities of Santa Monica and Los Angeles to Hampton Drive, thence southeasterly along Hampton Drive to Washington Boulevard, thence southeasterly along Washington Boulevard to the Southern Pacific Railroad, thence southeasterly along the Southern Pacific Railroad to the boundary of the City of Los Angeles, thence southwesterly, southeasterly and northeasterly along the boundary of the City of Los Angeles (passing to the west of Marina Del Rey) to State Route 1 (also known as Lincoln Boulevard), thence southeasterly along State Route 1 (also known as Lincoln Boulevard) to the northern boundary of the Los Angeles International Airport, thence westerly along the northern boundary of the Los Angeles International Airport to Pershing Drive, thence southwesterly along Pershing Drive and proposed Pershing Drive to the northwestern boundary of the City of El Segundo, thence southerly along the northwestern boundary of the City of El Segundo to a corner on the boundary of the City of El Segundo near the intersection of Loma Vista Street and Binder Place, thence southeasterly on a direct line to the intersection of 45th Street and Crest Drive, thence southeasterly along Crest Drive to Rosecrans Avenue, thence easterly along Rosecrans Avenue to State Route 1 (also known as Sepulveda Boulevard), thence southerly along State Route 1 (also known as Sepulveda Boulevard) to the northern boundary of the City of Hermosa Beach, thence easterly and southeasterly along the boundary of the City of Hermosa Beach to Prospect Avenue, thence southerly along Prospect Avenue to Anita Street, thence northeasterly along Anita Street to Flagler Lane, thence southerly along Flagler Lane to the western boundary of the City of Torrance, thence southerly along the boundary of the City of Torrance to Del Amo Boulevard, thence easterly along Del Amo Boulevard to State Route 107 (also known as Hawthorne Boulevard), thence southerly along State Route 107 (also known as Hawthorne Boulevard) to Torrance

Boulevard, thence easterly along Torrance Boulevard to Madrona Avenue, thence southerly along Madrona Avenue to Sepulveda Boulevard, thence westerly along Sepulveda Boulevard to State Route 107, (also known as Hawthorne Boulevard), thence southerly along State Route 107 (also known as Hawthorne Boulevard) to State Route 1 (also known as Pacific Coast Highway), thence southeasterly along State Route 1 (also known as Pacific Coast Highway) to the boundary of the City of Los Angeles (near Western Avenue), thence generally southerly along the boundary of the City of Angeles to the shoreline of the Pacific Ocean, thence generally northwesterly and westerly along the shoreline of the Pacific Ocean to the boundary common to the Counties of Los Angeles and Ventura, thence northeasterly along the boundary common to the Counties of Los Angeles and Ventura to Little Sycamore Canyon Road, the point of beginning, and

That portion of Ventura County not contained in the 24th Senatorial District (such portion including those islands in the Pacific Ocean constituting a part of Ventura County) shall constitute the 25th Senatorial District.

30126. That portion of the County of Los Angeles bounded and described as follows: Beginning at the intersection of the boundary common to the Cities of Arcadia and Sierra Madre at the northwesterly corner of Section 15, T. 1 N., R. 11 W., S.B.B. & M., thence southerly along the boundary of the City of Sierra Madre to Santa Anita Avenue, thence southerly along Santa Anita Avenue to Duarte Road, thence easterly along Duarte Road to 5th Avenue, thence northerly along 5th Avenue to Colorado Boulevard, thence easterly along Colorado Boulevard to Ivy Avenue, thence southerly along Ivy Avenue to the westerly elongation of Olive Avenue, thence easterly along the westerly elongation of Olive Avenue and Olive Avenue to Shamrock Avenue, thence southerly along Shamrock Avenue to Huntington Drive, thence easterly along Huntington Drive to Mountain Avenue, thence southerly along Mountain Avenue to the joint Santa Fe and Southern Pacific Railroad, thence easterly along the joint Santa Fe and Southern Pacific Railroad to the boundary common to the Cities of Irwindale and Duarte, thence clockwise along the boundary of the City of Irwindale to Foothill Boulevard, (east of Irwindale Avenue), thence easterly along Foothill Boulevard to Alosta Avenue, thence southeasterly along Alosta Avenue to Ben Lomond Avenue (also known as Barranca Avenue), thence southerly along Ben Lomond Avenue to Arrow Highway, thence westerly along Arrow Highway to Vincent Avenue, thence southerly along Vincent Avenue to Badillo Street, thence westerly along Badillo Street to the boundary of the City of West

Covina at Orange Avenue, thence counter-clockwise along the boundary of the City of West Covina to Willow Avenue, thence northeasterly along Willow Avenue to Yarnell Street, thence southeasterly along Yarnell Street to Sunkist Avenue, thence southwesterly along Sunkist Avenue to Glenmere Street, thence southeasterly along Glenmere Street to Orange Avenue, thence southwesterly along Orange Avenue to Francisquito Avenue, thence southeasterly along Francisquito Avenue to the boundary common to the Cities of La Puente and West Covina, thence clockwise along the boundary of the City of La Puente to Francisquito Avenue at Hacienda Boulevard, thence easterly along Francisquito Avenue to Walnut Avenue, thence southerly along Walnut Avenue to Doublegrove Street, thence easterly along Doublegrove Street to Valinda Avenue, thence southerly along Valinda Avenue to Maplegrove Street, thence easterly along Maplegrove Street to Pass and Covina Road, thence southerly and southeasterly along Pass and Covina Road to Amar Road, thence easterly along Amar Road and the easterly elongation of Amar Road to the boundary common to the Cities of West Covina and Walnut, thence counter-clockwise along the boundary of the City of Walnut to Old Brea Canyon Road at Valley Boulevard, thence southerly along Old Brea Canyon Road to State Route 57, thence southwesterly along State Route 57 to Brea Canyon Cut-off, thence northwesterly along Brea Canyon Cut-off to Colima Road, thence westerly along Colima Road to Azusa Avenue, thence northerly along Azusa Avenue to the boundary of the City of Industry at State Route 60, thence clockwise along the boundary of the City of Industry to an angle point at Fieldgate Avenue and Binney Street, thence northwesterly along a line parallel to Binney Street to Fieldgate Avenue, thence southerly along Fieldgate Avenue to Ladysmith Street, thence southeasterly along Ladysmith Street and its circular elongation to Haliburton Road at Paso Verde Drive, thence westerly along Haliburton Road to Hacienda Boulevard, thence southerly along Hacienda Boulevard to La Subida Drive, thence northwesterly along La Subida Drive to Los Altos Drive, thence northerly along Los Altos Drive to Turnbull Canyon Road, thence generally westerly along Turnbull Canyon Road to the boundary of the City of Whittier, thence counter-clockwise along the boundary of the City of Whittier to Workman Mill Road, thence northerly along Workman Mill Road to the boundary of Rose Hills Memorial Park, thence northwesterly along the boundary of Rose Hills Memorial Park and its northwesterly elongation across Pioneer Boulevard to the east boundary of the City of Pico Rivera, thence clockwise along the east boundary of the City of Pico Rivera to Whittier Boulevard, thence southeasterly along

Whittier Boulevard to the Southern Pacific Railroad (north of Sorenson Avenue), thence southwesterly along the Southern Pacific Railroad to the north boundary of the City of Santa Fe Springs, thence easterly and southerly along the north and east boundary of the City of Santa Fe Springs to the Southern Pacific Railroad (south of York Field), thence easterly along the Southern Pacific Railroad to Mulberry Drive, thence southeasterly along Mulberry Drive to Painter Avenue, thence northeasterly along Painter Avenue to Whittier Boulevard, thence southeasterly along Whittier Boulevard to the boundary common to the Counties of Los Angeles and Orange, thence counter-clockwise along the boundary of the County of Los Angeles to the joint Union Pacific and Southern Pacific Railroad (in the vicinity of First Street-State Street in Pomona), thence westerly along the Union Pacific and Southern Pacific Railroad to San Antonio Avenue, thence northerly along San Antonio Avenue to Holt Avenue, thence easterly along Holt Avenue to San Antonio Avenue, thence northerly along San Antonio Avenue to State Route 10 (also known as San Bernardino Freeway), thence southwesterly along State Route 10 to the east bound off-ramp to Burdick Drive, thence easterly along the eastbound off-ramp to Burdick Drive, thence southwesterly along Burdick Drive to Huntington Boulevard, thence southerly along Huntington Boulevard to Laurel Avenue, thence westerly along Laurel Avenue to Dudley Street, thence northwesterly along Dudley Street to State Route 10 (also known as San Bernardino Freeway), thence westerly along State Route 10 to Ganesha Boulevard, thence northeasterly along Ganesha Boulevard to the boundary of the City of Pomona, thence northwesterly along the boundary of the City of Pomona to the boundary common to the Cities of Pomona and San Dimas, thence in a counter-clockwise direction (generally northerly) along the boundary of the City of San Dimas to Bonita Avenue, thence easterly along Bonita Avenue to Sedalia Avenue, thence northeasterly along Sedalia Avenue to Gladstone Street, thence northwesterly along Gladstone Street to Grand Avenue (also known as Damien Avenue), thence northeasterly along Grand Avenue to Foothill Boulevard, thence northwesterly along Foothill Boulevard to the southerly elongation of Romola Avenue, thence northerly along the southerly elongation of Romola Avenue and Romola Avenue to San Dimas Canyon Road, thence northeasterly along San Dimas Canyon Road to the south line of Section 24, T 1 N, R. 9 W., S.B.B.&M., thence westerly along the south line of said Section 24 to the easterly boundary of the City of San Dimas, thence northerly, westerly, and southerly along the north boundary of the City of San Dimas to Foothill Boulevard, thence westerly along Foothill Boulevard to

Loraine Avenue, thence north along Loraine Avenue to Foothill Boulevard, thence east along Foothill Boulevard to Amelia Avenue, thence north along Amelia Avenue and its northern elongation to the easterly line of Section 21, T. 1 N., R. 9 W., S.B.B.&M., thence northerly along the easterly line of Section 21, T. 1 N., R. 9 W., S.B.B.&M., to the southerly line of Section 16, T. 1 N., R. 9 W., S.B.B.&M., thence westerly along the southerly line of Sections 16, 17 and 18, T. 1 N., R. 9 W., S.B.B.&M., and Route 91 to East Street, thence southerly along East Street to Sycamore Street, thence southwesterly along Sycamore Street to Harbor Boulevard, thence northerly along Harbor Boulevard to North Street, thence generally westerly along North Street to Loara Street, thence southerly along Loara Street to Crescent Avenue, thence westerly along Crescent Avenue to Euclid Street, thence northerly along Euclid Street to Valley View Drive, thence westerly along Valley View Drive to Bastanchury Road, thence northeasterly along Bastanchury Road to Euclid Street, thence generally northerly in a varying course along Euclid Street to Imperial Highway, thence easterly along Imperial Highway to Harbor Boulevard, thence southerly along Harbor Boulevard to Brea Boulevard, thence northerly along Brea Boulevard to Lemon Street, thence southerly along Lemon Street to Virginia Road, thence southeasterly along Virginia Road to Skyline Drive, thence generally northeasterly and southeasterly along Skyline Drive to Raymond Avenue, thence southerly along Raymond Avenue to Dorothy Lane, thence easterly along Dorothy Lane to Acacia Avenue, thence southerly along Acacia Avenue to Fullerton Creek, thence generally northeasterly in a varying course along Fullerton Creek to Yorba Linda Boulevard, thence easterly along Yorba Linda Boulevard to Associated Road, thence northerly along Associated Road to State Route 57 (also known as Orange Freeway), thence generally northerly along State Route 57 to the boundary common to Orange County and Los Angeles County, the point of beginning, shall constitute the 26th Senatorial District.

30127. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of State Route 2 (also known as Angeles Crest Highway) with the northern boundary of the City of Pasadena, thence easterly, southerly and southeasterly along the northern boundary of the City of Pasadena to its intersection with the northerly most transmission line in Arroyo Seco Canyon, thence southeasterly along the most northerly transmission line to Las Flores Canyon in the southeast ¼ of Section 34, T. 2 N., R. 12 W., S.B.B.&M., thence southerly along Las Flores Canyon to the northeasterly elongation of Loma Alta Drive, thence southwesterly along

the elongation of Loma Alta Drive and Loma Alta Drive to Lake Avenue, thence southerly along Lake Avenue to State Route 248 (also known as Colorado Boulevard), thence westerly along State Route 248 to State Route 134, thence southwesterly along State Route 134 to the westerly boundary of the City of Pasadena, thence counter clockwise along the City of Pasadena to to 64th Avenue, thence generally southerly and southwesterly along 64th Avenue to Marmion Way, thence northwesterly and southwesterly along Marmion Way and its elongation to Figueroa Street, thence southwesterly along Figueroa Street to Avenue 56, thence northwesterly along Avenue 56 to Monte Vista Street, thence southwesterly along Monte Vista Street to Avenue 50, thence southeasterly along Avenue 50 to Figueroa Street, thence generally southerly along Figueroa Street to Sycamore Park Drive, thence southeasterly along Sycamore Park Drive to the Union Pacific Railroad, thence southwesterly along the Union Pacific Railroad to Avenue 44, thence northwesterly along Avenue 44 to Figueroa Street, thence southwesterly along Figueroa Street to Avenue 44, thence northwesterly along Avenue 44 and its elongation to Marmion Way, thence generally southerly along Marmion Way to Figueroa Street, thence southwesterly along Figueroa Street to Amabel Street, thence northwesterly along Amabel Street to Isabel Street, thence generally northwesterly along Isabel Street to Granada Street, thence southwesterly along Granada Street to Cypress Avenue, thence southeasterly along Cypress Avenue to Granada Street, thence southwesterly along Granada Street and its elongation to the Los Angeles River, thence southerly along the Los Angeles River to State Route 5, (also known as the Golden State Freeway), thence northwesterly along State Route 5 to Riverside Drive (east alignment), thence northerly along Riverside Drive (paralleling State Route 5 on the east) to its intersection with the northeasterly elongation of Academy Drive (between Riverdale Avenue and Glover Place), thence southwesterly along the elongation of Academy Drive (passing thru Elysian Park) and Academy Drive to Boylston Street, thence southwesterly along Boylston Street to Stadium Way, thence southwesterly along Stadium Way to Lilac Terrace, thence northwesterly along Lilac Terrace to Sunset Boulevard, thence northwesterly along Sunset Boulevard to Glendale Boulevard, thence southwesterly along Glendale Boulevard, to Temple Street, thence northwesterly along Temple Street to Hoover Street, thence northerly along Hoover Street to Melrose Avenue, thence westerly along Melrose Avenue to June Street, thence southerly along June Street to 3rd Street, thence easterly along 3rd Street to Rimpau Boulevard, thence southwesterly along Rimpau Boulevard to Pico Boulevard,

thence easterly along Pico Boulevard to West Boulevard, thence southwesterly along West Boulevard to Venice Boulevard, thence southeasterly along Venice Boulevard to Crenshaw Boulevard, thence southwesterly along Crenshaw Boulevard to Washington Boulevard, thence easterly along Washington Boulevard to Arlington Avenue, thence southerly along Arlington Avenue to Santa Barbara Avenue, thence westerly along Santa Barbara Avenue to Crenshaw Boulevard, thence southerly along Crenshaw Boulevard to Stocker Street, thence southwesterly along Stocker Street to Don Felipe Drive, thence northwesterly along Don Felipe Drive to Marlton Avenue, thence northeasterly along Marlton Avenue to Santo Tomas Drive, thence northwesterly along Santo Tomas Drive and its westerly elongation to La Brea Avenue (near Veronica Street), thence southwesterly along La Brea Avenue to the boundary of the City of Los Angeles, thence southwesterly, westerly, northerly and westerly along the boundary of the City of Los Angeles to the eastern boundary of the City of Culver City, thence southerly, westerly and southwesterly along the eastern boundary of the City of Culver City to Freshman Drive, thence southerly along Freshman Drive to Overland Avenue, thence northwesterly along Overland Avenue to Venice Boulevard, thence southwesterly along Venice Boulevard to Sawtelle Boulevard, thence northwesterly along Sawtelle Boulevard to Palms Boulevard, thence southwesterly along Palms Boulevard to Walgrove Avenue, thence northwesterly along Walgrove Avenue to 23rd Street, thence southwesterly along 23rd Street to Dewey Street, thence southwesterly along Dewey Street to 21st Street, thence northwesterly along 21st Street to Ocean Park Boulevard, thence southwesterly along Ocean Park Boulevard to 16th Street, thence northwesterly along 16th Street to Pico Boulevard, thence northeasterly along Pico Boulevard to the eastern boundary of the City of Santa Monica, thence southeasterly along the eastern boundary of the City of Santa Monica to Centinela Avenue, thence northerly along Centinela Avenue to National Boulevard, thence northeasterly along National Boulevard to Overland Avenue, thence southeasterly along Overland Avenue to National Boulevard, thence generally easterly along National Boulevard to Castle Heights Avenue, thence southwesterly along Castle Heights Avenue and its elongation to the Southern Pacific Railroad, thence easterly along the Southern Pacific Railroad to the southerly elongation of Robertson Place, thence northeasterly along the southerly elongation of Robertson Place and Robertson Place to Robertson Boulevard, thence northeasterly along Robertson Boulevard to National Boulevard, thence southeasterly along National Boulevard to State Route 10 (also known as Santa

Monica Freeway), thence northeasterly along State Route 10 (also known as Santa Monica Freeway) to La Cienega Boulevard, thence southerly along La Cienega Boulevard to La Cienega Avenue, thence southerly along La Cienega Avenue to the northern boundary of the City of Culver City, thence northeasterly and southwesterly along the northern boundary of the City of Culver City to Washington Boulevard, thence northeasterly along Washington Boulevard to Clyde Avenue, thence northeasterly along Clyde Avenue to Venice Boulevard, thence northeasterly along Venice Boulevard to Redondo Boulevard, thence northeasterly along Redondo Boulevard to 12th Street, thence easterly along 12th Street to La Brea Avenue, thence northerly along La Brea Avenue to Edgewood Place, thence northeasterly along Edgewood Place to Mansfield Avenue, thence northeasterly along Mansfield Avenue to 8th Street, thence westerly along 8th Street to La Brea Avenue, thence northerly along La Brea Avenue to Fountain Avenue, thence westerly along Fountain Avenue to Fairfax Avenue, thence northerly along Fairfax Avenue to Hollywood Boulevard, thence easterly along Hollywood Boulevard to Sierra Bonita Avenue, thence northerly along Sierra Bonita Avenue to Franklin Avenue, thence easterly along Franklin Avenue to La Brea Avenue, thence northerly along La Brea Avenue to Franklin Avenue, thence easterly along Franklin Avenue to Outpost Drive, thence northerly along Outpost Drive to the most northern intersection of Outpost Circle, thence easterly and southerly along Outpost Circle to Fitch Drive, thence southeasterly and northeasterly along Fitch Drive to Sycamore Avenue, thence northeasterly along Sycamore Avenue to Hillcrest Road, thence southeasterly along Hillcrest Road to Franklin Avenue, thence easterly along Franklin Avenue to Highland Avenue, thence northeasterly along Highland Avenue to Franklin Avenue, thence easterly along Franklin Avenue to Las Palamas Avenue, thence northerly along Las Palamas Avenue to Milner Road, thence northeasterly along Milner Road to the northeastern intersection of Wedgewood Place, thence northerly in a direct line crossing State Route 101 (also known as Hollywood Freeway) to the southerly termination of Whitley Terrace, thence northerly along Whitley Terrace to Cahuenga Boulevard, thence southwesterly along Cahuenga Boulevard to Franklin Avenue, thence easterly along Franklin Avenue to Normandie Avenue, thence southerly along Normandie Avenue to Hollywood Boulevard, thence easterly along Hollywood Boulevard and Prospect Avenue to Commonwealth Avenue, thence northerly along Commonwealth Avenue to the southern boundary of Griffith Park, thence clockwise along the boundary of Griffith Park to the southeast corner of Section 35, T. 1 N., R. 14 W., S.B.B.&M.,

thence north along the east line of said Section 35 to the boundary of Griffith Park at the northeast corner of said Section 35, thence northerly along the boundary of Griffith Park to the boundary common to the Cities of Los Angeles and Burbank near Catalina Street, thence clockwise along the boundary of the City of Los Angeles to the westerly elongation of Broadway, thence easterly along the westerly elongation of Broadway and Broadway to Central Avenue, thence south along Central Avenue to Broadway, thence east along Broadway to Adams Street, thence southerly along Adams Street to Palmer Avenue, thence west on Palmer Avenue to Adams Street, thence southeasterly along Adams Street to the boundary common to the City of Glendale and Los Angeles, thence counter clockwise along the boundary of the City of Glendale to Round Top Drive, thence southerly along Round Top Drive to Palmer Drive, thence easterly and southerly along Palmer Drive to Wawona Street, thence southerly along Wawona Street to Delor Road, thence easterly along Delor Road to Delavan Drive, thence southerly along Delavan Drive to Range Road, thence northeasterly along Range Road to Medlow Avenue, thence southerly along Medlow Avenue to Langdale Avenue, thence easterly along Langdale Avenue to College View Avenue, thence southwesterly along College View Avenue to Avenue 45, thence southeasterly along Avenue 45 to Ellenwood Drive, thence northerly along Ellenwood Drive to Fair Park Avenue, thence westerly along Fair Park Avenue to Ellenwood Drive, thence northerly along Ellenwood Drive to Colorado Boulevard, thence easterly along Colorado Boulevard to Highland View Drive, thence northerly along Highland View Drive to Hill Drive, thence westerly along Hill Drive to Highland View Drive and its northerly elongation to the boundary common to the City of Glendale and Los Angeles, thence easterly along the boundary common to the Cities of Glendale and Los Angeles to its intersection with the boundary of the City of Pasadena, thence clockwise along the boundary of the City of Pasadena to the most northerly intersection of State Route 2 (Also known as Angeles Crest Highway), the point of beginning, shall constitute the 27th Senatorial District.

30128. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of Live Oak Avenue and El Monte Avenue in the City of Arcadia, thence northeasterly along Live Oak Avenue to the boundary of the City of Arcadia at 8th Avenue, thence northeasterly along the boundary of the City of Arcadia to the boundary of the City of Monrovia, thence northeasterly and easterly along the boundary of the City of Monrovia to the westerly right-of-way line of Peck

Road, thence easterly across Peck Road to the intersection of the boundary of the City of Monrovia with the easterly right-of-way line of Peck Road (in the vicinity of El Norte Street), thence counter clockwise along the boundary of the City of Monrovia (as it existed on June 1, 1969) to Shamrock Avenue, thence north along Shamrock Avenue to the joint Santa Fe and Southern Pacific Railroad, thence easterly along the joint Santa Fe and Southern Pacific Railroad to the boundary common to the cities of Irwindale and Duarte, thence clockwise along the boundary of the City of Irwindale to Foothill Boulevard (east of Irwindale Avenue), thence easterly along Foothill Boulevard to Alosta Avenue, thence southeasterly along Alosta Avenue to Ben Lomond Avenue (also known as Barranca Avenue), thence southerly along Ben Lomond Avenue to Arrow Highway, thence westerly along Arrow Highway to Vincent Avenue, thence southerly along Vincent Avenue to Badillo Street, thence westerly along Badillo Street to the boundary of the City of West Covina at Orange Avenue, thence counter clockwise along the boundary of the City of West Covina to Willow Avenue, thence northeasterly along Willow Avenue to Yarnell Street, thence southeasterly along Yarnell Street to Sunkist Avenue, thence southwesterly along Sunkist Avenue to Glenmere Street, thence southeasterly along Glenmere Street to Orange Avenue, thence southwesterly along Orange Avenue to Francisquito Avenue, thence southeasterly along Francisquito Avenue to the boundary common to the Cities of La Puente and West Covina, thence clockwise along the boundary of the City of La Puente to Francisquito Avenue at Hacienda Boulevard, thence easterly along Francisquito Avenue to Walnut Avenue, thence southerly along Walnut Avenue to Doublegrove Street, thence easterly along Doublegrove Street to Valinda Avenue, thence southerly along Valinda Avenue to Maplegrove Street, thence easterly along Maplegrove Street to Pass and Covina Road, thence southerly and southeasterly along Pass and Covina Road to Amar Road, thence easterly along the easterly elongation of Amar Road to the boundary common to the cities of West Covina and Walnut, thence counter clockwise along the boundary of the City of Walnut to Old Brea Canyon Road at Valley Boulevard, thence southerly along Old Brea Canyon Road to State Route 57, thence southwesterly along State Route 57 to Brea Canyon cut-off, thence northwesterly along Brea Canyon Cut-off to Colima Road, thence westerly along Colima Road to Azusa Avenue, thence northerly along Azusa Avenue to the boundary of the City of Industry at State Route 60, thence clockwise along the boundary of the City of Industry to an angle point at Fieldgate Avenue and Binney Street, thence northwesterly along a line parallel to Binney

Street, to Fieldgate Avenue, thence southerly along Fieldgate Avenue to Ladysmith Street, thence southeasterly along Ladysmith Street and its circular elongation to Haliburton Road at Paso Verde Drive, thence westerly along Haliburton Road to Hacienda Boulevard, thence southerly along Hacienda Boulevard to La Subida Drive, thence northwesterly along La Subida Drive to Los Altos Drive, thence northerly along Los Altos Drive to Turnbull Canyon Road, thence generally westerly along Turnbull Canyon Road to the boundary of the City of Whittier, thence counter clockwise along the boundary of the City of Whittier to Workman Mill Road, thence northerly along Workman Mill Road to the boundary of Rose Hills Memorial Park, thence northwesterly along the boundary of Rose Hills Memorial Park and its northwesterly elongation across Pioneer Boulevard to the east boundary of the City of Pico Rivera, thence counter clockwise along the boundary of the City of Pico Rivera to State Route 605 (also known as the San Gabriel River Freeway) thence northerly along State Route 605 to the south boundary of the City of Industry, thence northwesterly, northeasterly and northwesterly along the boundary of the City of Industry and its northwesterly elongation to the San Gabriel River in the vicinity of coordinates x = 4,270,200 feet y = 4,119,200 feet, California Coordinate System Zone 7, thence northerly along the San Gabriel River to the Whittier Narrows Flood Control Dam, thence westerly along the Whittier Narrows Flood Control Dam to the boundary of the City of Montebello, thence southwesterly along the boundary of the City of Montebello to Beverly Boulevard, thence westerly along Beverly Boulevard to Wilcox Avenue, thence southerly along Wilcox Avenue to Whittier Boulevard, thence westerly along Whittier Boulevard to Concourse Avenue, thence southerly along Concourse Avenue to the west boundary of the City of Montebello, thence southerly along the boundary of the City of Montebello to its intersection with the east boundary of the City of Commerce, thence westerly in varying courses along the boundary of the City of Commerce to Simmons Avenue, thence northerly along Simmons Avenue to 6th Street, thence easterly along 6th Street to Bradshaw Street, thence northerly along Bradshaw Street to Repetto Street, thence northwesterly along Repetto Street to Gerhart Avenue, thence northerly along Gerhart Avenue to 3rd Street, thence westerly along 3rd Street to Mednik Avenue, thence northerly along Mednik Avenue to the South boundary of the City of Monterey Park, thence westerly, northerly, and easterly along the west and north boundary of the City of Monterey Park to Atlantic Boulevard (in the vicinity of Hellman Avenue), thence northerly along Atlantic Boulevard to Main Street, thence northeasterly along

Main Street to the west boundary of the City of San Gabriel, thence southerly and easterly along the west boundary of the City of San Gabriel to its intersection with the westerly elongation of Grand Avenue, thence easterly along the westerly elongation of Grand Avenue to Ramona Street, thence southerly along Ramona Street to Fairview Avenue, thence easterly along Fairview Avenue to San Gabriel Boulevard, thence northerly along San Gabriel Boulevard to Grand Avenue, thence easterly along Grand Avenue to the west boundary of the City of Rosemead, thence in a clockwise direction along the west and north boundary of the City of Rosemead to Temple City Boulevard, thence northerly along Temple City Boulevard to Lower Azusa Road, thence easterly along Lower Azusa Road to El Monte Avenue, thence northerly along ElMonte Avenue to Live Oak Avenue, the point of beginning, shall constitute the 28th Senatorial District.

30129. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of June Street and Melrose Avenue in Los Angeles (in the vicinity of the Wilshire Country Club), thence easterly along Melrose Avenue to Hoover Street, thence southerly along Hoover Street to Temple Street, thence southeasterly along Temple Street to Hoover Street, thence southerly along Hoover Street to 6th Street, thence southeasterly along 6th Street to Lafayette Park Place, thence southwesterly along Lafayette Park Place to Hoover Street, thence southerly along Hoover Street to San Marino Street, thence southeasterly along San Marino Street to Carondelet Street, thence southwesterly along Carondelet Street to Hoover Street, thence southerly along Hoover Street to Jefferson Boulevard, thence southeasterly along Jefferson Boulevard to Figueroa Street, thence northeasterly along Figueroa Street to Adams Boulevard, thence southeasterly along Adams Boulevard to Maple Avenue, thence southwesterly along Maple Avenue to 27th Street, thence southeasterly along 27th Street to Central Avenue, thence southwesterly along Central Avenue to 33rd Street, thence easterly along 33rd Street to Hooper Avenue, thence southerly along Hooper Avenue 33rd Street thence southeasterly along 33rd Street to Compton Avenue, thence southwesterly along Compton Avenue to 41st Street, thence easterly along 41st Street to Compton Avenue, thence southerly along Compton Avenue to Vernon Avenue, thence easterly along Vernon Avenue to the west boundary of the City of Vernon, thence northerly and easterly along the boundary of the City of Vernon to Atlantic Boulevard (also known as State Highway 15), thence southwesterly along Atlantic Boulevard to Bandini Boulevard, thence

northwesterly along Bandini Boulevard to Ayers Avenue, thence southwesterly along Ayers Avenue to Canning Street, thence northwesterly along Canning Street to Sunol Drive, thence northeasterly along Sunol Drive to Bandini Boulevard, thence northwesterly along Bandini Boulevard to Downey Road, thence south along Downey Road to Vernon Avenue, thence west along Vernon Avenue to Santa Fe Avenue, thence south along Santa Fe Avenue to Fruitland Avenue, thence east along Fruitland Avenue to Malabar Street, thence south along Malabar Street to the boundary of the City of Huntington Park, thence south and west along the boundary of the City of Huntington Park to Alameda Street, thence southerly along Alameda Street to Florence Avenue, thence easterly along Florence Avenue to Mountain View Avenue, thence southerly along Mountain View Avenue to the northern boundary of the City of South Gate, thence westerly and southerly along the western boundary of the City of South Gate to Alameda Street at Seminole Avenue, thence southerly along Alameda Street to the western boundary of the City of Lynwood at 108th Street, thence westerly and generally southerly along the western boundary of the City of Lynwood to the northern boundary of the City of Compton, thence southerly along the boundary of the City of Compton to 124th Street, thence westerly along 124th Street to Wilmington Avenue, thence southerly along Wilmington Avenue to the northern boundary of the City of Compton, thence westerly, southerly, westerly and southerly along the northern boundary of the City of Compton to 135th Street, thence westerly along 135th Street to Avalon Boulevard, thence northerly along Avalon Boulevard to El Segundo Boulevard, thence westerly along El Segundo Boulevard to the boundary of the City of Los Angeles, thence northerly and easterly along the boundary of the City of Los Angeles to Athens Way, thence northerly along Athens Way to 120th Street, thence westerly along 120th Street to Figueroa Street, thence northerly along Figueroa Street to Manchester Avenue, thence west along Manchester Avenue to Vermont Avenue, thence north along Vermont Avenue to Florence Avenue, thence west along Florence Avenue to Denker Avenue, thence north along Denker Avenue to 62nd Street, thence west along 62nd Street to Western Avenue, thence north along Western Avenue to 62nd Street, thence west along 62nd Street to Van Ness Avenue, thence northerly along Van Ness Avenue to Slauson Avenue, thence easterly along Slauson Avenue to Van Ness Avenue, thence northerly along Van Ness Avenue to Rodeo Road, thence westerly along Rodeo Road to Arlington Avenue, thence northerly along Arlington Avenue to Washington Boulevard, thence westerly along Washington Boulevard to Crenshaw Boulevard, thence

northeasterly along Crenshaw Boulevard to Venice Boulevard, thence northwesterly along Venice Boulevard to West Boulevard, thence northeasterly along West Boulevard to Pico Boulevard, thence westerly along Pico Boulevard to Rimpau Boulevard, thence northeasterly along Rimpau Boulevard to 3rd Street, thence westerly along 3rd Street to June Street, thence northerly along June Street to Melrose Avenue, the point of beginning, shall constitute the 29th Senatorial District.

30130. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the boundary common to the City of Commerce, Vernon, and Los Angeles, thence generally easterly along the boundary of the City of Commerce to the west boundary of the City of Montebello at Ferguson Drive, thence north along the boundary of the City of Montebello to Concourse Avenue, thence northerly along Concourse Avenue to Whittier Boulevard, thence easterly along Whittier Boulevard to Wilcox Avenue, thence northerly along Wilcox Avenue to Beverly Boulevard, thence easterly along Beverly Boulevard to the east boundary of the City of Montebello, thence northeasterly along the east boundary of the City of Montebello to Whittier Narrows Flood Control Dam, thence easterly along Whittier Narrows Flood Control Dam to the San Gabriel River, thence southerly along the San Gabriel River to its intersection with the westerly elongation of the south boundary of the City of Industry (in the vicinity of Coordinates x = 4,270,200 feet, y = 4,119,200 feet, California Coordinate System, Zone 7), thence southerly and easterly along the south boundary of the City of Industry to State Route 605 (also known as San Gabriel River Freeway), thence southerly along State Route 605 to the north boundary of the City of Pico Rivera, thence clockwise along the north and east boundary of the City of Pico Rivera to Whittier Boulevard, thence southeasterly along Whittier Boulevard to the Southern Pacific Railroad (north of Sorenson Avenue), thence southwesterly along the Southern Pacific Railroad to the north boundary of the City of Santa Fe Springs, thence easterly and southerly along the north and east boundary of the City of Santa Fe Springs to the Southern Pacific Railroad (southwest corner of York Field), thence easterly along the Southern Pacific Railroad to Mulberry Drive, thence southeasterly along Mulberry Drive to Mills Avenue, thence southwesterly along Mills Avenue to Broadway, thence southeasterly along Broadway to the Atchison, Topeka & Santa Fe Railroad (near Ceres Avenue), thence southwesterly along the Atchison, Topeka & Santa Fe Railroad to Victoria Avenue, thence southwesterly along Victoria Avenue to Telegraph Road, thence southeasterly

along Telegraph Road to Imperial Highway, thence west on Imperial Highway to Valley View Avenue, thence southerly along Valley View Avenue to the north boundary of the City of Cerritos, thence northwesterly and westerly along the boundary of the City of Cerritos to the boundary of the City of Artesia, thence clockwise along the boundary of the City of Artesia to the boundary common to the City of Artesia, Cerritos, and Norwalk, thence clockwise along the boundary of the City of Norwalk to Studebaker Road, thence northerly along the southerly boundary of the City of Cerritos to the west shore of the San Gabriel River, thence northerly along the west shore of the San Gabriel River to South Street, thence westerly along South Street to Palo Verde Avenue, thence northerly along Palo Verde Avenue to State Route 91 (also known as Artesia Boulevard, between Roebuck and Plunkett Street), thence easterly along State Route 91 to the westerly shore line of the San Gabriel River, thence northerly along the west shore line of the San Gabriel River to the north boundary of the City of Cerritos, thence easterly along the north boundary of the City of Cerritos to Studebaker Road, thence northerly along Studebaker Road to Imperial Highway, thence westerly along Imperial Highway to Lakewood Boulevard, thence southwesterly along Lakewood Boulevard to Gardendale Street, thence northwesterly along Gardendale Street to the north boundary of the City of Paramount, thence northwesterly along the north boundary of the City of Paramount to its intersection with the south boundary of the City of South Gate on the east bank of the Los Angeles River, thence northerly and generally westerly along the boundary of the City of South Gate to Tweedy Boulevard, thence westerly along Tweedy Boulevard to Stanford Avenue, thence northerly along Stanford Avenue to Indiana Avenue, thence westerly along Indiana Avenue to Truba Avenue, thence northerly along Truba Avenue to Kansas Avenue, thence westerly along Kansas Avenue to the west boundary of the City of South Gate, thence northerly and easterly along the west boundary of the City of South Gate to the boundary common to the Cities of South Gate and Huntington Park at Mountain View Avenue, thence north along Mountain View Avenue to Florence Avenue, thence west along Florence Avenue to Alameda Street, thence northerly along Alameda Street to the north boundary of the City of Huntington Park, thence easterly and northerly along the north boundary of the City of Huntington Park to a point on the boundary common to the Cities of Vernon and Huntington Park near the intersection of 52nd Street and Malabar Street, thence north along Malabar Street to Fruitland Avenue, thence west along Fruitland Avenue to Santa Fe Avenue, thence north along Santa Fe Avenue to

Vernon Avenue, thence east along Vernon Avenue to Downey Road, thence north along Downey Road to Bandini Boulevard, thence southeasterly along Bandini Boulevard to Sunol Drive, thence southwesterly along Sunol Drive to Conning Street, thence southeasterly along Conning Street to Ayers Avenue, thence northeasterly along Ayers Avenue to Bandini Boulevard, thence southeasterly along Bandini Boulevard to Atlantic Boulevard, thence northeasterly along Atlantic Boulevard to the boundary common to the City of Commerce and Bell, thence clockwise along the boundary of the City of Commerce to the point of beginning, shall constitute the 30th Senatorial District.

30131. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of Palms Boulevard and Walgrove Avenue in Los Angeles (in the vicinity of the Santa Monica Municipal Airport), thence southeasterly along Walgrove Avenue to Venice Boulevard, thence southwesterly along Venice Boulevard to Southern Pacific Railroad, thence southeasterly along Southern Pacific Railroad to the boundary of the City of Los Angeles, thence southwesterly, southeasterly and northeasterly along the boundary of the City of Los Angeles (Passing to the West of Marina Del Rey) to State Route 1 (also known as Lincoln Boulevard), thence southeasterly along State Route 1 (also known as Lincoln Boulevard), to the northern boundary of the Los Angeles International Airport, thence westerly along the northern boundary of the Los Angeles International Airport to Pershing Drive, thence southeasterly along Pershing Drive and proposed Pershing Drive to the northwestern boundary of the City of El Segundo, thence southerly along the northwestern boundary of the City of El Segundo to a corner of the boundary of the City of El Segundo near the intersection of Loma Vista Street and Binder Place, thence southeasterly on a direct line to the intersection of 45th Street and Crest Drive, thence southeasterly along Crest Drive to Rosecrans Avenue, thence easterly along Rosecrans Avenue to State Route 1 (also known as Sepulveda Boulevard), thence southerly along State Route 1 (also known as Sepulveda Boulevard) to the northern boundary of the City of Hermosa Beach, thence easterly and southeasterly along the boundary of the City of Hermosa Beach to Prospect Avenue, thence southerly along Prospect Avenue to Anita Street, thence northeasterly along Anita Street to Flagler Lane, thence southerly along Flagler Lane to the northern boundary of the City of Torrance, thence northeasterly, northerly and easterly along the northern boundary of the City of Torrance to Rindge Lane, thence northerly along Rindge Lane to Artesia Boulevard, thence westerly along Artesia Boulevard to the

western boundary of the City of Redondo Beach near Aviation Boulevard, thence northerly and easterly along the west and north boundary of the City of Redondo Beach to the western boundary of the City of Lawndale, thence northwesterly, easterly, northerly, easterly and southerly along the northern boundary of the City of Lawndale to Compton Boulevard, thence easterly along Compton Boulevard to Crenshaw Boulevard, thence northerly along Crenshaw Boulevard to El Segundo Boulevard, thence easterly along El Segundo Boulevard to Vermont Avenue, thence northerly along Vermont Avenue to 120th Street, thence easterly along 120th Street to Figueroa Street, thence northerly along Figueroa Street to Manchester Avenue, thence west along Manchester Avenue to Vermont Avenue, thence north along Vermont Avenue to Florence Avenue, thence west along Florence Avenue to Denker Avenue, thence north along Denker Avenue to 62nd Street, thence west along 62nd Street to Western Avenue, thence north along Western Avenue to 62nd Street, thence west along 62nd Street to Van Ness Avenue, thence northerly along Van Ness Avenue to Slauson Avenue, thence easterly along Slauson Avenue to Van Ness Avenue, thence northerly along Van Ness Avenue to Santa Barbara Avenue, thence westerly along Santa Barbara Avenue to Crenshaw Boulevard, thence southerly along Crenshaw Boulevard to Stocker Street, thence southwesterly along Stocker Street to Don Felipe Drive, thence northwesterly along Don Felipe Drive to Marlton Avenue, thence northeasterly along Marlton Avenue to Santo Tomas Drive, thence northwesterly along Santo Tomas Drive and its western elongation to La Brea Avenue, thence southwesterly along La Brea Avenue to the boundary of the City of Los Angeles, thence southwesterly, westerly, northerly and westerly along the boundary of the City of Los Angeles to the eastern boundary of the City of Culver City, thence southerly, westerly and southwesterly along the eastern boundary of the City of Culver City to Freshman Drive, thence southerly along Freshman Drive to Overland Avenue, thence northwesterly along Overland Avenue to Venice Boulevard, thence southwesterly along Venice Boulevard to Sawtelle Boulevard, thence northwesterly along Sawtelle Boulevard to Palms Boulevard, thence southwesterly along Palms Boulevard to Walgrove Avenue the point of beginning, shall constitute the 31st Senatorial District.

30132. That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of Crenshaw Boulevard and El Segundo Boulevard in the City of Gardena, thence southerly along Crenshaw Boulevard to Compton Boulevard,

thence westerly along Compton Boulevard to the eastern boundary of the City of Lawndale, thence northerly, westerly, southerly, westerly, and southeasterly along the northern boundary of the City of Lawndale to the northern boundary of the City of Redondo Beach, thence westerly and southerly along the north and west boundary of the City of Redondo Beach to Artesia Boulevard, thence easterly along Artesia Boulevard to Rindge Lane, thence southerly along Rindge Lane to the northern boundary of the City of Torrance, thence westerly, southerly and southwesterly along the north and west boundary of the City of Torrance to Del Amo Boulevard, thence easterly along Del Amo Boulevard to State Route 107 (also known as Hawthorne Boulevard), thence southerly along State Route 107 (also known as Hawthorne Boulevard) to Torrance Boulevard, thence easterly along Torrance Boulevard to Madrona Avenue, thence southerly along Madrona Avenue to Sepulveda Boulevard, thence westerly along Sepulveda Boulevard to State Route 107 (also known as Hawthorne Boulevard), thence southerly along State Route 107 (also known as Hawthorne Boulevard) to State Route 1 (also known as Pacific Coast Highway), thence southeasterly along State Route 1 (also known as Pacific Coast Highway), to the boundary of the City of Los Angeles (near Western Avenue), thence generally southerly along the boundary of the City of Los Angeles to the shoreline of the Pacific Ocean, thence generally southeasterly along the shoreline of the Pacific Ocean to its intersection with the Los Angeles-Long Beach Harbor Breakwater, thence generally easterly along the southern edge of the Los Angeles-Long Beach Harbor Breakwater and the easterly elongation of the southern edge of the breakwater to its intersection with the southerly elongation of the line common to the boundaries of the Counties of Los Angeles and Orange, thence northerly along the boundary common to the Counties of Los Angeles and Orange to the shoreline of the Long Beach Harbor, thence westerly along the shoreline of the Long Beach Harbor, excluding all shore installations, to its intersection with the southerly elongation of Pine Avenue, thence northerly along Pine Avenue to Broadway, thence westerly along Broadway to the easterly shoreline of the Los Angeles River, thence northerly along the easterly shoreline of the Los Angeles River to Anaheim Street, thence westerly along Anaheim Street to the boundary common to the Cities of Long Beach and Los Angeles, thence generally northwesterly, northeasterly and northerly along the boundary common to the Cities of Long Beach and Los Angeles to Alameda Street, thence southerly along Alameda Street to the boundary common to the Cities of Carson and Los Angeles, thence generally southerly, northwesterly,

westerly and northerly along the boundary common to the Cities of Carson and Los Angeles to State Route 11 (also known as the Harbor Freeway), thence northerly along State Route 11 to Knox Street, thence westerly along Knox Street to Vermont Avenue thence northerly along Vermont Avenue to 190th Street, thence northeasterly along 190th Street to Figueroa Street, thence northerly along Figueroa Street to Alondra Boulevard, thence easterly along Alondra Boulevard to the Southern Pacific Railroad (near Alameda Street), thence northerly along the Southern Pacific Railroad to Rosecrans Avenue, thence easterly along Rosecrans Avenue to Bullis Road, thence northeasterly along Bullis Road to the boundary common to the Cities of Lynwood and Compton, thence southeasterly and southerly along the boundary common to the Cities of Lynwood and Compton to McMillan Street, thence easterly along McMillan Street to Summerdale Street, thence southeasterly along Summerdale Street to the boundary common to the Cities of Paramount and Lynwood, thence generally northerly along the boundary of the City of Paramount to the boundary of the City of South Gate on the east bank of the Los Angeles River, thence northerly and generally westerly along the boundary of the City of South Gate to Tweedy Boulevard, thence westerly along Tweedy Boulevard to Stanford Avenue, thence northerly along Stanford Avenue to Indiana Avenue, thence westerly along Indiana Avenue to Truba Avenue, thence northerly along Truba Avenue to Kansas Avenue, thence westerly along Kansas Avenue to the western boundary of the City of South Gate, thence southerly along the western boundary of the City of South Gate to the northern boundary of the City of Lynwood, thence westerly and generally southerly along the western boundary of the City of Lynwood to the northern boundary of the City of Compton, thence southerly along the boundary of the City of Compton to 124th Street, thence westerly along 124th Street to Wilmington Avenue, thence southerly along Wilmington Avenue to the northern boundary of the City of Compton, thence westerly, southerly, westerly and southerly along the northern boundary of the City of Compton to 135th Street, thence westerly along 135th Street to Avalon Boulevard, thence northerly along Avalon Boulevard to El Segundo Boulevard, thence westerly along El Segundo Boulevard to the boundary of the City of Los Angeles, thence northerly and easterly along the boundary of the City of Los Angeles to Athens Way, thence northerly along Athens Way to 120th Street, thence westerly along 120th Street to Vermont Street, thence southerly along Vermont Street to El Segundo Boulevard, thence westerly along El Segundo Boulevard to Crenshaw Boulevard, the point of beginning, and the Islands of Santa

Catalina, San Clemente and Santa Barbara and all the off-shore areas of Los Angeles County not included in Senate Districts 25, 33 and 38 shall constitute the 32nd Senatorial District.

30133. That portion of Los Angeles County bounded and described as follows:

Beginning at the boundary common to the cities of Los Angeles, Carson and the County of Los Angeles at the intersection of Figueroa Avenue and Alondra Boulevard, thence easterly along Alondra Boulevard to the Southern Pacific Railroad near Alameda Street, thence northerly along the Southern Pacific Railroad to Rosecrans Avenue, thence easterly along Rosecrans Avenue to Bullis Road, thence northeasterly along Bullis Road to the boundary common to the cities of Lynwood and Compton, thence southeasterly and southerly along the boundary common to the cities of Lynwood and Compton to McMillan Street, thence easterly along McMillan Street to Gibson Avenue, thence southerly along Gibson Avenue to Rosecrans Avenue, thence easterly along Rosecrans Avenue to the East Shore of the Los Angeles River, thence northerly along the Eastern shore of the Los Angeles River to the boundary of the Cities of South Gate and Paramount, thence southeasterly along the boundary of the City of Paramount to Gardendale Street, thence southeasterly along Gardendale Street to Lakewood Boulevard, thence northeasterly along Lakewood Boulevard to Imperial Highway, thence easterly along Imperial Highway to Studebaker Road, thence southerly along Studebaker Road to the boundary common to the cities of Norwalk and Cerritos, thence westerly along the boundary common to the cities of Norwalk and Cerritos to the west shoreline of the San Gabriel River, thence southerly along the west shoreline of the San Gabriel River to its intersection with the center line of State Route 91 (also known as Artesia Boulevard, between Roebuck Street and Plunkett Street), thence westerly along State Route 91 to Palos Verde Avenue, thence southerly along Palos Verde Avenue to South Street, thence easterly along South Street to its intersection with the westerly shore line of the San Gabriel River, thence southerly along the westerly shore line of the San Gabriel River to Carson Street, thence westerly along Carson Street to Bellflower Boulevard, thence northerly along Bellflower Boulevard to Del Amo Boulevard, thence westerly along Del Amo Boulevard to Lakewood Boulevard, thence southerly along Lakewood Boulevard to Carson Boulevard, thence westerly along Carson Boulevard to the boundary common to the cities of Lakewood and Long Beach, thence generally southwesterly, westerly and northwesterly along the boundary common to the cities of Lakewood and Long Beach to Cherry Avenue, thence

southerly along Cherry Avenue to East Wardlow Road, thence westerly along East Wardlow Road to Walnut Avenue, thence southerly along Walnut Avenue to the boundary of the City of Long Beach (North of 33rd Street), thence westerly, southerly, and southeasterly along the boundary common to the cities of Signal Hil. and Long Beach to Cherry Avenue (Near 19th St), thence southerly along Cherry Avenue to Appleton Street, thence southeasterly along Appleton Street to Junipero Avenue, thence southerly along Junipero Avenue and its southerly elongation to the shore line of the Pacific Ocean, thence westerly along the shore line of the Pacific Ocean to its intersection with the southerly elongation of Pine Avenue, thence northerly along Pine Avenue to Broadway, thence westerly along Broadway to the easterly shore line of the Los Angeles River, thence northerly along the easterly shore line of the Los Angeles River to Anaheim Street, thence westerly along Anaheim Street to the boundary common to the cities of Long Beach and Los Angeles, thence generally northwesterly, northeasterly and northerly along the boundary common to the cities of Long Beach and Los Angeles to Alameda Street, thence southerly along Alameda Street to the boundary common to the cities of Carson and Los Angeles, thence generally southerly, northwesterly, westerly and northerly along the boundary common to the cities of Carson and Los Angeles to State Route 11 (also known as the Harbor Freeway), thence northerly along State Route 11 to Knox Street, thence westerly along Knox Street to Vermont Avenue, thence northerly along Vermont Avenue to 190th Street, thence northeasterly along 190th Street to Figueroa Street, thence northerly along Figueroa Street to Alondra Boulevard, the point of beginning, shall constitute the 33rd Senatorial District.

30134. All that portion of the County of Orange, bounded and described as follows:

Beginning at the intersection of the westerly elongation of Warner Avenue and the Pacific Ocean shoreline (in the vicinity of the boundary common to the County of Orange and the City of Huntington Beach), thence easterly along Warner Avenue to Algonquin Street, thence northerly along Algonquin Street to Heil Avenue, thence easterly along Heil Avenue to Bolsa Chica Street, thence northerly along Bolsa Chica Street to Edinger Avenue, thence easterly along Edinger Avenue to Edwards Street, thence northerly along Edwards Street to Garden Grove Boulevard, thence easterly along Garden Grove Boulevard to Golden West Avenue, thence northerly along Golden West Avenue to State Route 22 (also known as Garden Grove Freeway), thence southeasterly along State Route 22 to the westerly elongation of Garden Grove Boulevard, thence easterly along the

westerly elongation of Garden Grove Boulevard and Garden Grove Boulevard to State Route 39 (also known as Beach Boulevard), thence southeasterly along State Route 39 to Trask Avenue, thence easterly along Trask Avenue to Newland Street, thence southerly along Newland Street to Westminster Avenue, thence easterly along Westminster Avenue to Bushard Street, thence southerly along Bushard Street to Hazard Avenue, thence easterly along Hazard Avenue to Brookhurst Street, thence northerly along Brookhurst Street to Trask Avenue, thence easterly along Trask Avenue to Harbor Boulevard, thence northerly along Harbor Boulevard to Garden Grove Boulevard, thence easterly along Garden Grove Boulevard to the Santa Ana River, thence southwesterly along the Santa Ana River to 17th Street, thence easterly along 17th Street to Bristol Street, thence northerly along Bristol Street to 18th Street, thence easterly along 18th Street to Baker Street, thence northerly along Baker Street to 21st Street, thence easterly along 21st Street to Towner Street, thence southerly along Towner Street to 19th Street, thence, easterly along 19th Street to Broadway, thence northerly along Broadway to 20th Street and the extension of 20th Street to U. S. Route 5 (also known as the Santa Ana Freeway), thence southeasterly along U. S. Route 5 to 17th Street, thence westerly along 17th Street to French Street, thence southerly along French Street to Washington Avenue, thence westerly along Washington Avenue to French Street, thence southerly along French Street to 5th Street, thence easterly along 5th Street to Garfield Street, thence southerly along Garfield Street to 1st Street, thence easterly along 1st Street to Cedar Street, thence southerly along Cedar Street to Pine Street, thence westerly along Pine Street to Birch Street, thence southerly along Birch Street to Bishop Street, thence westerly along Bishop Street to Parton Street, thence southerly along Parton Street to McFadden Avenue, thence westerly along McFadden Avenue to Pacific Avenue, thence southerly along Pacific Avenue to Wilshire Avenue, thence westerly along Wilshire Avenue to Spruce Street, thence southerly along Spruce Street to Edinger Avenue, thence easterly along Edinger Avenue to Flower Street, thence southerly along Flower Street to Sunflower Avenue, thence easterly along Sunflower Avenue to Main Street, thence southerly along Main Street to State Route 55 (also known as Newport Freeway), thence southwesterly along State Route 55 to Laguna Canyon Road, thence southerly along Laguna Canyon Road to County Road S 18 (also known as El Toro Road), thence northeasterly and easterly along County Road S 18 to U. S. Route 5, thence southeasterly and southerly along U. S. Route 5 to a gas and electric power line, thence southeasterly

and southerly along a gas and electric power line to the boundary common to the Counties of Orange and San Diego, thence southwesterly along the boundary common to the Counties of Orange and San Diego to its intersection with the Pacific Ocean shore line, thence northerly along the Pacific Ocean shoreline to the westerly elongation of Warner Avenue (in the vicinity of the boundary common to the County of Orange and the City of Huntington Beach), the point of beginning, shall constitute the 34th Senatorial District.

30135. All that portion of the County of Orange bounded and described as follows:

Beginning at the point where La Mirada Boulevard intersects the boundary common to the Counties of Los Angeles and Orange in the City of Buena Park, thence generally northeasterly and easterly along the boundary common to the Counties of Los Angeles and Orange to State Route 57 (also known as Orange Freeway), thence southwesterly and southerly along State Route 57 to Associated Drive, thence southerly along Associated Drive to Yorba Linda Boulevard, thence westerly along Yorba Linda Boulevard to Fullerton Creek, thence southwesterly along Fullerton Creek to Acacia Avenue, thence northerly along Acacia Avenue to Dorothy Lane, thence westerly along Dorothy Lane to Raymond Avenue, thence northerly and northwesterly along Raymond Avenue to Skyline Drive, thence northwesterly and southwesterly along Skyline Drive to Virginia Road, thence northwesterly along Virginia Road to Lemon Street, thence generally northerly along Lemon Street to La Brea Boulevard, thence southerly along La Brea Boulevard to Valley View Drive, thence westerly along Valley View Drive to Sunny Crest Drive, thence northerly along Sunny Crest Drive to Valencia Mesa Drive, thence northeasterly along Valencia Mesa Drive to Harbor Boulevard (also known as State Route 72), thence northerly along Harbor Boulevard to Imperial Highway, thence westerly along Imperial Highway to Euclid Street, thence generally southerly along Euclid Street to Bastanchury Road, thence southwesterly along Bastanchury Road to the extension of Valley View Drive, thence easterly along the extension of Valley View Drive and Valley View Drive to Euclid Street, thence southerly along Euclid Street to Crescent Avenue, thence easterly along Crescent Avenue to Loara Street, thence northerly along Loara Street to North Street, thence northeasterly along North Street to West Street, thence southerly along West Street to North Street, thence northeasterly along North Street to Harbor Boulevard, thence southerly along Harbor Boulevard to Sycamore Street, thence northeasterly along Sycamore Street to East Street, thence northerly along East Street to State Route 91 (also

known as the Riverside Freeway), thence easterly along State Route 91 to State College Boulevard, thence southerly along State College Boulevard to Lincoln Avenue, thence easterly along Lincoln Avenue to the Santa Ana River, thence northerly and northeasterly along the Santa Ana River to State Route 91, thence southeasterly along State Route 91 to State Route 55 (also known as Newport Freeway), thence southwesterly along State Route 55 to Nohl Ranch Road, thence generally easterly along Nohl Ranch Road to an unnamed private road (in the vicinity of the intersection of Nohl Ranch Road and the boundary common to the Cities of Orange and Ahaheim), thence generally easterly and southwesterly along the unnamed private road to the boundary common to the Cities of Villa Park and Orange (in the vicinity of the intersection of Canyon Drive and the boundary of the City of Villa Park), thence generally southerly along the boundary of the City of Villa Park to Santiago Boulevard, thence easterly and southeasterly along Santiago Boulevard to Santiago Creek, thence southwesterly along Santiago Creek to Prospect Street, thence southerly along Prospect Street to Walnut Avenue, thence westerly along Walnut Avenue to Prospect Street, thence southerly along Prospect Street to Spring Street, thence easterly along Spring Street to Esplanade Street, thence southerly along Esplanade Street to Fairhaven Avenue, thence easterly along Fairhaven Avenue to Old Foothill Boulevard, thence southeasterly along Old Foothill Boulevard to Foothill Boulevard, thence southeasterly along Foothill Boulevard to Newport Avenue, thence southwesterly along Newport Avenue to Skyline Drive, thence southeasterly along Skyline Drive to Red Hill Avenue, thence southwesterly along Red Hill Avenue to La Colina Drive, thence southeasterly along La Colina Drive to Browning Avenue, thence southwesterly along Browning Avenue (including its straight-line extension across the Santa Ana Freeway) to Walnut Avenue, thence northwesterly along Walnut Avenue to Red Hill Avenue, thence southwesterly along Red Hill Avenue to Moulton Parkway, thence northwesterly along Moulton Parkway to Newport Freeway, thence southwesterly along Newport Freeway to Warner Avenue, thence westerly along Warner Avenue to Standard Avenue, thence northerly along Standard Avenue to McFadden Avenue, thence easterly along McFadden Avenue to the Southern Pacific Railroad, thence northerly along the Southern Pacific Railroad to Chestnut Avenue, thence easterly along Chestnut Avenue to Lyon Street, thence southerly along Lyon Street to Main Street, thence easterly along Main Street to U.S. Route 5 (also known as the Santa Ana Freeway), thence northwesterly along U.S. Route 5 to the extension of 20th Street, thence westerly along

the extension of 20th Street and 20th Street to Broadway, thence southerly along Broadway to 19th Street, thence westerly along 19th Street to Towner Street, thence northerly along Towner Street to 21st Street, thence westerly along 21st Street to Baker Street, thence southerly along Baker Street to 18th Street, thence westerly along 18th Street to Bristol Street, thence southerly along Bristol Street to 17th Street, thence westerly along 17th Street to the Santa Ana River, thence northeasterly along the Santa Ana River to Garden Grove Boulevard, thence westerly along Garden Grove Boulevard to Harbor Boulevard, thence southerly along Harbor Boulevard to Trask Avenue, thence westerly along Trask Avenue to Brookhurst Street, thence southerly along Brookhurst Street to Hazard Avenue, thence westerly along Hazard Avenue to Bushard Street, thence northerly along Bushard Street to Westminster Avenue, thence westerly along Westminster Avenue to Newland Street, thence northerly along Newland Street to Trask Avenue, thence westerly along Trask Avenue to Beach Boulevard, thence northwesterly along Beach Boulevard to Garden Grove Boulevard, thence westerly along Garden Grove Boulevard to the Southern Pacific Railroad, thence northerly along the Southern Pacific Railroad to Orangewood Avenue, thence easterly along Orangewood Avenue to Dale Street, thence southerly along Dale Street to Chapman Avenue, thence easterly along Chapman Avenue to Gilbert Street, thence northerly along Gilbert Street to Ball Road, thence westerly along Ball Road to Holder Street, thence northerly along Holder Street to Lincoln Avenue, thence westerly along Lincoln Avenue to Valley View Street, thence northerly along Valley View Street to Crescent Avenue, thence easterly along Crescent Avenue to Holder Street, thence northerly along Holder Street to San Diego Drive, thence northwesterly along San Diego Drive to San Marino Drive, thence northerly along San Marino Drive to La Cienaga Drive, thence westerly along La Cienaga Drive to Holder Street, thence northerly along Holder Street to Orangethorpe Avenue, thence easterly along Orangethorpe Avenue to Dale Street, thence northerly along Dale Street to Artesia Avenue, thence westerly along Artesia Avenue to Dale Street, thence northerly along Dale Street to Malvern Avenue, thence northwesterly along Malvern Avenue to its continuation as La Mirada Boulevard, thence northwesterly along La Mirada Boulevard to the boundary common to the Counties of Los Angeles and Orange, the point of beginning, shall constitute the 35th Senatorial District.

30136. Riverside County and that portion of the County of Orange bounded and described as follows:

Beginning at the intersection of Linda Vista Street and

Morse Avenue in the City of Atwood, thence easterly along Morse Avenue to Buena Vista Avenue, thence easterly along Buena Vista Avenue to Grandview Avenue, thence northeasterly along Grandview Avenue to Mountain View Avenue, thence southeasterly along Mountain View Avenue to Orchard Drive, thence generally southerly along Orchard Drive to State Route 90 (also known as Yorba Linda Freeway), thence generally southeasterly along Yorba Linda Freeway to the Santa Ana River, thence generally easterly along the Santa Ana River to the boundary common to San Bernardino County and Orange County, thence southeasterly along the boundary common to San Bernardino County and Orange County to Black Star Canyon Road, thence southerly along Black Star Canyon Road to Silverado Canyon Road, thence generally southerly along Silverado Canyon Road to Santiago Canyon Road, thence southeasterly along Santiago Canyon Road to Modjeska Canyon Road, thence southwesterly along Modjeska Canyon Road to Modjeska Grade Road, thence southwesterly along Modjeska Grade Road to County Route S 18 (also known as El Toro Road) (in the vicinity of Section 4, T. 6 S., R. 7 W., S.B.B.&M.), thence southwesterly along County Route S 18 to the Atchison, Topeka & Santa Fe Railroad, thence northwesterly along the Atchison, Topeka & Santa Fe Railroad to Borrego Canyon Wash, thence westerly along Borrego Canyon Wash to Interstate 5 (also known as Santa Ana Freeway), thence northerly along Interstate 5 to Browning Avenue, thence northeasterly along Browning Avenue to La Colina Drive, thence northwesterly along La Colina Drive to Red Hill Avenue, thence northeasterly along Red Hill Avenue to Skyline Drive, thence northwesterly along Skyline Drive to Newport Boulevard, thence northeasterly along Newport Boulevard to Foothill Boulevard, thence generally northwesterly along Foothill Boulevard to Old Foothill Boulevard, thence generally northerly along Old Foothill Boulevard to Fairhaven Avenue, thence westerly along Fairhaven Avenue to Esplanade Street, thence northerly along Esplanade Street to Spring Street, thence westerly along Spring Street to Prospect Street, thence northerly along Prospect Street to Walnut Street, thence easterly along Walnut Street to Prospect Street, thence northerly along Prospect Street to Santiago Creek, thence northeasterly along Santiago Creek to Santiago Boulevard, thence northerly and westerly along Santiago Boulevard to Sycamore Street, thence northerly along Sycamore Street to Serrano Avenue, thence easterly along Serrano Avenue to Loma Street, thence northerly along Loma Street to South Mesa Drive, thence generally northerly along South Mesa Drive to a private road, thence northeasterly and westerly along the private road to

Nohl Ranch Road, thence westerly along Nohl Ranch Road to State Route 55 (also known as Newport Freeway), thence northeasterly along State Route 55 to State Route 91 (also known as Riverside Freeway), thence northwesterly along State Route 91 to the Santa Ana River, thence southwesterly along the Santa Ana River to Lincoln Avenue, thence westerly along Lincoln Avenue to Sunkist Street, thence northerly along Sunkist Street to State Route 91 (also known as Riverside Freeway), thence southeasterly and northeasterly along State Route 91 to Jefferson Street, thence northerly along Jefferson Street to Orangethorpe Avenue, thence westerly along Orangethorpe Avenue to Linda Vista Street, thence northerly along Linda Vista Street to Morse Avenue, the point of beginning, shall constitute the 36th Senatorial District.

30137. That portion of Orange County bounded and described as follows:

Beginning with the boundary common to Los Angeles and Orange County at the intersection of La Mirada Boulevard, thence southeasterly along La Mirada Boulevard to Malvern Avenue, thence southeasterly along Malvern Avenue to Dale Street (also known as Dale Avenue), thence southerly along Dale Street to Artesia Avenue, thence easterly along Artesia Avenue to Dale Street, thence southerly along Dale Street to Orangethorpe Avenue, thence westerly along Orangethorpe Avenue to Holder Street, thence southerly along Holder Street to La Cienaga Drive, thence easterly along La Cienaga Drive to San Marino Drive, thence southerly along San Marino Drive to La Palma Avenue, thence easterly along La Palma Street to San Marino Drive, thence southwesterly along San Marino Drive to San Diego Drive, thence southeasterly along San Diego Drive to Holder Street, thence southerly along Holder Street to Crescent Avenue, thence westerly along Crescent Avenue to Valley View Street, thence southerly along Valley View Street to Lincoln Avenue, thence easterly along Lincoln Avenue to Holder Street, thence southerly along Holder Street to Ball Road, thence easterly along Ball Road to Gilbert Street, thence southerly along Gilbert Street to Chapman Avenue, thence westerly along Chapman Avenue to Dale Street, thence northerly along Dale Street to Orangewood Avenue, thence westerly along Orangewood Avenue to the Southern Pacific Railroad, thence southerly along the Southern Pacific Railroad to Interstate Highway 405 (also known as Garden Grove Freeway), thence westerly along Interstate 405 to Edwards Street, thence southerly along Edwards Street to Edinger Avenue, thence westerly along Edinger Avenue to Bolsa Chica Street, thence southerly along Bolsa Chica Street, to Heil Avenue, thence westerly along Heil Avenue to

Algonquin Street, thence southerly along Algonquin Street to Courtney Lane, thence southwesterly along Courtney Lane to Warner Avenue, thence westerly along Warner Avenue and its westerly elongation to the shoreline of Huntington Harbor, thence northwesterly along the shoreline of Huntington Harbor to its intersection with the boundary common to Los Angeles County and Orange County, thence generally northeasterly in a varying course along the boundary common to Los Angeles County and Orange County to its intersection with the center line of La Mirada Boulevard, the point of beginning, and

That portion of the County of Los Angeles bounded and described as follows:

Beginning at the intersection of Whittier Boulevard and Painter Avenue in Whittier, thence southwesterly along Painter Avenue to Mulberry Drive, thence southeasterly along Mulberry Drive to Mills Avenue, thence southwesterly along Mills Avenue to Broadway, thence southeasterly along Broadway to the Atchison, Topeka & Santa Fe Railroad (in the vicinity of Ceres Avenue), thence southwesterly along the Atchison, Topeka & Santa Fe Railroad to Victoria Avenue, thence southwesterly along Victoria Avenue to Telegraph Road, thence southeasterly along Telegraph Road to Imperial Highway, thence west along Imperial Highway to Valley View Avenue, thence southerly along Valley View Avenue to the north boundary of the City of Cerritos, thence northwesterly and westerly along the boundary of the City of Cerritos to the boundary of the City of Artesia to the boundary common to the Cities of Artesia, Cerritos, and Norwalk, thence clockwise along the boundary of the City of Norwalk to the west boundary of the San Gabriel River, thence southerly along the west shore line of the San Gabriel River to Carson Street, thence westerly along Carson Street to Bellflower Boulevard, thence northerly along Bellflower Boulevard to Del Amo Boulevard, thence westerly along Del Amo Boulevard to Lakewood Boulevard, thence southerly along Lakewood Boulevard to Carson Boulevard, thence westerly along Carson Boulevard to the boundary common to the cities of Lakewood and Long Beach, thence generally southwesterly, westerly and northwesterly along the boundary common to the cities of Lakewood and Long Beach to Cherry Avenue, thence southerly along Cherry Avenue to East Wardlow Road, thence westerly along East Wardlow Road to Walnut Avenue, thence southerly along Walnut Avenue to the boundary of the city of Long Beach (north of 33rd Street), thence westerly, southerly and southeasterly along the boundary common to the cities of Signal Hill and Long Beach to Cherry Avenue (near 19th Street), thence southerly along Cherry Avenue to Appleton Street, thence

southeasterly along Appleton Street to Junipero Avenue, thence southerly along Junipero Avenue and its southerly elongation to the shore line of the Pacific Ocean, thence easterly along the shore line of the Pacific Ocean including all shore installations to its intersection with the boundary common to the Counties of Los Angeles and Orange, thence generally northeasterly along the boundaries common to Los Angeles and Orange to its intersection with Whittier Boulevard, thence northwesterly along Whittier Boulevard to Painter Avenue the point of beginning, shall constitute the 37th Senatorial District.

30138. All that portion of the County of Orange bounded and described as follows:

Beginning at the intersections of U.S. Route 405 (also known as San Diego Freeway) and State Route 55 (also known as Newport Freeway) (in the vicinity of the eastern boundary of the City of Costa Mesa), thence northeasterly along State Route 55 to Main Street, thence northerly along Main Street to Sunflower Avenue, thence West along Sunflower Avenue to the southerly elongation of Flower Street, thence North along the southerly elongation of Flower Street and Flower Street to Edinger Avenue, thence West along Edinger Avenue to Spruce Street, thence North along Spruce Street to Wilshire Avenue, thence East along Wilshire Avenue to Pacific Avenue, thence North along Pacific Avenue to McFadden Avenue, thence East along McFadden Avenue to Parton Street, thence north along Parton Street to Bishop Street, thence East along Bishop Street to Birch Street, thence North along Birch Street to Pine Street, thence East along Pine Street to Cedar Street, thence North along Cedar Street to First Street, thence west along First to Garfield Street, thence North along Garfield Street to 5th Street, thence West along 5th Street to French Street, thence North along French Street to Washington Avenue, thence East along Washington Avenue to French Street, thence North along French Street to 17th Street, thence East along 17th Street to U.S. Route 5 (also known as the Santa Ana Freeway), thence southeasterly along U.S. Route 5 to Main Street, thence West along Main Street to Lyon Street, thence North along Lyon Street to Chestnut Avenue, thence West along Chestnut Avenue to the Southern Pacific Railroad, thence South along the Southern Pacific Railroad to McFadden Avenue, thence West along McFadden Avenue to Standard Avenue, thence South along Standard Avenue to Warner Avenue, thence East along Warner Avenue to State Route 55 (also known as Newport Freeway), thence northeasterly along State Route 55 to Moulton Parkway (also known as Edinger Avenue), thence southeasterly along Moulton Parkway to Red Hill Avenue, thence northeasterly along Red

Hill Avenue to Walnut Avenue, thence southeasterly along Walnut Avenue to Browning Avenue, thence northeasterly along Browning Avenue to U.S. Route 5 (also known as the Santa Ana Freeway), thence southeasterly along U.S. Route 5 to Borrego Canyon Wash, thence easterly along Borrego Canyon Wash to the Atchison, Topeka & Santa Fe Railroad, thence southeasterly along the Atchison, Topeka & Santa Fe Railroad to Orange County Route S 18 (Also known as El Toro Road thence northeasterly and northwesterly along County Route S 18 to Modjeska Grade Road (in the vicinity of Section 4, T. 6 S., R. 7 W., S.B.B. & M.), thence northwesterly and northeasterly along Modjeska Grade Road to Modjeska Canyon Road, thence northwesterly along Modjeska Canyon Road to Santiago Canyon Road, thence north and northwesterly along Santiago Canyon Road to Silverado Canyon Road, thence northerly and northeasterly along Silverado Canyon Road to Black Star Canyon Road, thence northeasterly along Black Star Canyon Road to the boundary common to the Counties of Orange and Riverside, thence southeasterly, southwesterly and westerly along the boundary of the County of Orange to its intersection with a gas and electric power line (in the vicinity of the northern boundary of Section 26, T. 8 S., R. 7 W., S.B.B.&M.), thence northerly and northwesterly along the gas and electric power line to its intersection with U.S. Route 5 (also known as the San Diego Freeway), thence northerly along U.S. Route 5 to Orange County Route S 18 (also known as El Toro Road), thence southwesterly along County Route S 18 to Laguna Canyon Road, thence northerly along Laguna Canyon Road to U.S. Route 405 (also known as the San Diego Freeway), thence westerly along U.S. Route 405 to State Route 55 (also known as Newport Freeway) to the point of beginning, and

All that portion of the County of San Diego bounded and described as follows:

Beginning at the intersection of the shoreline of the Pacific Ocean with the boundary common to the Counties of San Diego and Orange, thence southeasterly along the boundary of San Diego, in the Pacific Ocean, to the westerly elongation of the center of the channel of an unnamed creek (in the vicinity of "B" Street) in the unincorporated area of Encinitas in the County of San Diego at the shoreline of the Pacific Ocean, thence easterly along the unnamed creek to Vulcan Avenue, thence northerly along Vulcan Avenue to Encinitas Drive, thence northerly along Encinitas Drive to Orpheus Avenue, thence northeasterly along Orpheus Avenue to the elongation of Hygeia Avenue, thence northwesterly and northerly along Hygeia Avenue and its elongation to Glaucus Street, thence northeasterly and easterly along Glaucus Street to Hymettus Avenue, thence northerly and easterly along

Hymettus Avenue to Andrew Avenue, thence northerly and westerly along Andrew Avenue to Sheridan Road, thence northerly along Sheridan Road and the northerly elongation of Sheridan Road to the channel of Batiquitos Lagoon, thence easterly along Batiquitos Lagoon and the easterly elongation of Batiquitos Lagoon to El Camino Real, thence northerly along El Camino Real to the Power Transmission lines (in the vicinity of coordinates x = 1,688,300 ft., y = 352,800 ft., California Coordinates System, Zone 6), thence northerly along the Power Transmission Lines to Aqua Hedionda Creek, thence northeasterly along Agua Hedionda Creek to "B" Street, south of Pechstein Reservoir, thence northeasterly along "B" Street to "A" Street, thence northerly along "A" Street to Buena Creek Road, thence easterly along Buena Creek Road to Twin Oaks Valley Road, thence northerly along Twin Oaks Valley Road to Sycamore Drive, thence northerly along Sycamore Drive to Deer Springs Road, thence easterly along Deer Springs Road to State Route 15, thence southeasterly along State Route 15 to Nutmeg Street, thence southwesterly along Nutmeg Street to Rockhoff Road, thence westerly along Rockhoff Road to Sleepy Hollow Road, thence westerly along Sleepy Hollow Road to Bougher Road, thence southerly along Bougher Road to its intersection with the boundary of the City of San Marcos, thence southerly and westerly along the easterly and southerly boundary of the City of San Marcos to Barham Drive, thence northwesterly along Barham Drive to La Moree Road, thence southerly and northwesterly along La Moree Road to Barham Road, thence southerly along Barham Road to Twin Oaks Valley Road, thence southerly along Twin Oaks Valley Road, and continuing southerly along an unimproved road passing through Sections 23, 26, and 27, T. 12, S., R. 3 W., S.B.B.& M. to Questhaven Road, thence easterly and southerly along Questhaven Road to Harmony Grove Road, thence southwesterly along Harmony Grove Road and its elongation to Escondido Creek, thence southwesterly along Escondido Creek to its intersection with the most northerly unnamed creek in Section 10, T. 13 S., R. 3 W., S.B.B.& M., thence easterly along the unnamed creek passing through Section 10, 11 and 12, T. 13 S., R. 3 W., S.B.B.&M., to the northerly elongation of Mt. Israel Road near the southwest corner of the southeast quarter of Section 1, T. 13 S., R. 3 W., S.B.B.& M., thence southerly and easterly along the elongation of Mt. Israel Road and Mt. Israel Road to Del Dios Highway (also known as Valley Parkway), thence southerly along Del Dios Highway (also known as Valley Parkway) to Rancho Drive, thence easterly along Rancho Drive and the easterly elongation of Rancho Drive to its intersection with the center of the channel of Lake Hodges, thence southerly and

southwesterly along the center of the channel of Lake Hodges to its intersection with the center of the channel of San Diegito River, thence southerly, westerly and southwesterly along the San Diegito River to Villa de la Valle, thence southerly, westerly and southerly along Villa de la Valle to the boundary common to the County of San Diego and the City of San Diego, thence southeasterly and easterly along the boundary common to the City of San Diego and the County of San Diego to County Road A38, thence generally easterly along County Road A38 to its continuation as Black Mountain Road, thence northeasterly and southerly along Black Mountain Road to Las Penasquitas Creek, thence easterly along Las Penasquitas Creek to U.S. Highway 395 (also known as Escondido Freeway), thence northerly along U.S. Highway 395 to Poway Road, thence northeasterly along Poway Road to Pomerado Road, thence northeasterly and northerly along Pomerado Road to Highland Valley Road, thence northeasterly and southeasterly along Highland Valley Road (coinciding in part with the north line of Section 8, T. 13 S., R. 1 W., S.B.B.& M.), to the unnamed stream in the southwest quarter of Section 10, T. 13 S., R. 1 W., S.B.B.& M., thence northerly along the unnamed stream to Santa Maria Creek, thence northwesterly along Santa Maria Creek to Highland Valley Road, thence northeasterly along Highland Valley Road to State Route 78 near San Pasqual, thence generally easterly along State Route 78 to the unnamedstream in Section 31, T. 12 S., R. 1 E., S.B.B.&M., thence northerly along the unnamed stream to Santa Ysabel Creek, thence northeasterly and southeasterly along Santa Ysabel Creek passing through Sutherland Reservoir and continuing to Witch Creek in Section 26, T. 12 S., R. 2 E., S.B.B.&M., thence southeasterly and easterly along Witch Creek to Slaughterhouse Road in the southwest quarter of Section 31, T. 12 S., R. 3 E., S.B.B.&M., thence southeasterly along Slaughterhouse Road to State Route 78, thence southwesterly along State Route 78 to West Side Road near the west line of Section 6, T. 13 S., R. 3 E., S.B.B.&M., thence southerly along West Side Road to Dye Canyon, thence southwesterly and southeasterly along Dye Canyon to San Diego River in Section 25, T. 13 S., R. 2 E., S.B.B.&M., thence southwesterly along the San Diego River to State Route 67, thence southwesterly along State Route 67 to Riverford Road, thence northwesterly and northerly along Riverford Road and its northerly proposed extension to a point approximately ¼ mile north of El Nopal Road at a ridge line of hills situated between El Nopal Road and Oak Creek Drive, thence northwesterly and northerly along the ridge line to a peak (Elevation 1,191 feet—San Vicente Reservoir Quadrangle) situated approximately 0.9 mile, north 52°45′ west from the

intersection of Oak Creek Drive and Manzanita Road, thence southwesterly to an unnamed creek, thence southwesterly and westerly along the unnamed creek to Sycamore Canyon, thence due west along Sycamore Canyon to its intersection with the boundary of the City of San Diego (approximately 0.4 mile south of the theoretical section corner common to Sections 4, 5, 8 and 9, T. 15 S., R. 1 W., S.B.B.& M.), thence southwesterly and westerly along the boundary of the City of San Diego to its intersection with an imaginary line at the coordinates x = 1,758,800 feet, y = 248,200 feet, California Coordinates System, Zone 6, thence due south on that imaginary line passing through the San Diego River to its intersection with the boundary of the City of San Diego near the Father Junipero Serra Trail, thence southwesterly and southeasterly along the boundary of the City of San Diego to its intersection with the west boundary of the City of El Cajon, thence southeasterly and southerly along the west boundary of the City of El Cajon to its intersection with the north boundary of the City of La Mesa, thence westerly and southwesterly along the north boundary of the City of La Mesa to State Route 8 (also known as Alvarado Canyon Freeway), thence westerly along State Route 8 to Fairmont Avenue, thence southerly along Fairmont Avenue to Meade Avenue, thence east along Meade Avenue to Highland Avenue, thence northerly along Highland Avenue to Monroe Avenue, thence easterly along Monroe Avenue to Winon Avenue, thence south along Winon Avenue, to El Cajon Boulevard, thence westerly along El Cajon Boulevard to Euclid Avenue, thence southerly along Euclid Avenue to University Avenue, thence easterly and northeasterly along University Avenue to 69th Street, thence southerly along 69th Street to Celia Vista Drive, thence westerly along Celia Vista Drive to 69th Street, thence southerly along 69th Street to Waite Drive, thence easterly along Waite Drive to 69th Street, thence southerly along 69th Street to Livingston Street, thence southwesterly along Livingston Street to College Avenue, thence southeasterly along College Avenue to Broadway (also known as Federal Boulevard), thence southwesterly along Broadway to San Miguel Avenue, thence easterly along San Miguel Avenue to Cypress Street, thence southeasterly along Cypress Street to the San Diego and Arizona Eastern Railway, thence southerly along the San Diego and Arizona Eastern Railway to the westerly elongation of Mt. Vernon Street, thence easterly along the elongation of Mt. Vernon Street and Mt. Vernon Street to Cypress Avenue, thence southerly along Cypress Avenue to Alton Drive, thence easterly along Alton Drive to Washington Street, thence northerly along Washington Street to Palm Street, thence easterly along Palm Street to Sweetwater Road,

thence southerly along Sweetwater Road to Tyler Street, thence easterly along Tyler Street to Bancroft Drive, thence northerly along Bancroft Drive to Rosedale Drive, thence easterly along Rosedale Drive to Helix Street, thence southeasterly along Helix Street to Montemar Drive, thence northeasterly along Montemar Drive to Austin Drive, thence westerly along Austin Drive to Lamar Street, thence northerly along Lamar Street to Upland Street, thence easterly along Upland Street to Kenora Drive, thence northerly along Kenora Drive and its elongation to Campo Road, thence easterly along Campo Road to Sweetwater Springs Boulevard, thence southeasterly and southerly along Sweetwater Springs Boulevard to Jamacha Boulevard, thence southwesterly along Jamacha Boulevard to an unnamed stream just south of Whitestone Road, thence southerly along the unnamed stream to the Sweetwater River in the middle of Sweetwater Reservoir, thence easterly and northeasterly along the Sweetwater River and passing through the center of Loveland Reservoir to Japatul Dehesa Road, thence southeasterly along Japatul Dehesa Road to Japatul Lyons Valley Road, thence southerly along Japatul Lyons Valley Road to Skye Valley Truck Trail near the west line of Section 27, T. 16 S., R. 3 E., S.B.B. & M., thence southerly along Skye Truck Trail to the unnamed stream in Section 4, T. 17 S., R. 3 E., S.B.B. & M., thence southeasterly along the unnamed stream to Barrett Lake, thence southwesterly along the north shoreline of Barrett Lake to Pine Valley Creek, thence northeasterly along Pine Valley Creek to the proposed State Route 8 (also known as Mission Freeway), thence easterly along the proposed State Route 8 to Laguna Mountain Road (also known as Sunrise Highway), thence generally northeasterly along Laguna Mountain Road to County Road Z 1050 (Desert View Road) in Section 24, T. 15 S., R. 5 E., S.B.B. & M., thence easterly and southerly along County Road Z 1050 (Desert View Road) to County Road Z 1336, thence northerly and easterly along County Road Z 1336 to La Posta Creek, thence southesterly along La Posta Creek into Thing Valley located in Section 28, T. 15 S., R. 6 E., S.B.B. & M., thence northeasterly across the "saddle" separating Thing Valley from Conebrake Wash to Conebrake Wash in Section 28, T. 15 S., R. 6 E., S.B.B. & M., thence northeasterly along Conebrake Wash to its intersection with the east line of Section 14, T. 15 S., R. 6 E., S.B.B. & M., thence southerly along the east line of Section 14, 23, 26, and 35, T. 15 S., R. 6 E., S.B.B. & M., to its intersection with the township line dividing T. 15 S., and T. 16 S., R. 6 E., S.B.B. & M., thence easterly along the township line dividing T. 15 S., and T. 16., R. 6 E., S.B.B. & M , to its intersection with the west line of Section 1, T. 16 S., R. 7 E., S B.B. & M., thence southerly along the west line of

Sections 1, 12, 13, 24, 25 and 36, T. 16 S., R. 7 E. S.B.B. & M., to its intersection with the north line of Section 1, T. 17 S., R. 7 E., S.B.B. & M., thence easterly along the north line of Section 1, T. 17 S., R. 7 E., S.B.B. & M., to its intersection intersection with the east line of Section 1, T. 17 S., R. 7 E., S.B.B. & M., thence southerly along the easterly line of Sections 1, 12, 13, & 24, T. 17 S., R. 7 E., S.B.B. & M., to its intersection with the north line of Section 30, T. 17 S., R. 8 E., S.B.B. & M., thence easterly along the north line of Sections 30, 29, 28, 27, 26, and 25, T. 17 S., R. 8 E., S.B.B. & M., to the boundary common to the Counties of San Diego and Imperial, thence in a counter-clockwise direction along the boundary of the County of San Diego to the Pacific Ocean (along the boundary common to the Counties of San Diego and Orange) the point of beginning, shall constitute the 38th Senatorial District.

30139. All that portion of San Diego County bounded and described as follows:

Beginning at the intersection of the westerly elongation of an unnamed creek (in the vicinity of "B" Street) in the unincorporated area of Encinitas in the County of San Diego with the shoreline of the Pacific Ocean, thence easterly along the unnamed creek to Vulcan Avenue, thence northerly along Vulcan Avenue to Encinitas Drive, thence northerly along Encinitas Drive to Orpheus Avenue, thence northeasterly along Orpheus Avenue to Hygeia Avenue, thence northwesterly and northerly along Hygeia Avenue to Glaucus Street, thence northeasterly and easterly along Glaucus Street to Hymettus Avenue, thence northerly and easterly along Hymettus Avenue to Andrew Avenue, thence northerly and westerly along Andrew Avenue to Sheridan Road, thence northerly along Sheridan Road and the northerly elongation of Sheridan Road to Batiquitos Lagoon, thence easterly along Batiquitos Lagoon and the easterly elongation of Batiquitos Lagoon to El Camino Real, thence northerly along El Camino Real to power transmisson lines (in the vicinity of Coordinates x = 1,688,300 feet, y = 352,800 feet, California Coordinates System, Zone 6), thence northerly along power transmission lines to Agua Hedionda Creek, thence northeasterly along Agua Hedionda Creek to "B" Street, south of Peckstein Reservoir, thence northeasterly along "B" Street to "A" Street, thence northerly along "A" Street to Buena Creek Road, thence easterly along Buena Creek Road to Twin Oaks Valley Road, thence northerly along Twin Oaks Valley Road to Sycamore Drive, thence northerly along Sycamore Drive to Deer Springs Road, thence easterly along Deer Springs Road to State Route 15, thence southeasterly along State Route 15 to Nutmeg Street, thence southwesterly along Nutmeg Street to Rockhoff Road,

thence westerly along Rockhoff Road to Sleepy Hollow Road, thence westerly along Sleepy Hollow Road to Bougher Road, thence southerly along Bougher Road to its intersection with the boundary of the City of San Marcos, thence southerly and westerly along the easterly and southerly boundary of the City of San Marcos to Barham Drive, thence northwesterly along Barham Drive to La Moree Road, thence southerly and northwesterly along La Moree Road to Barham Road, thence southwesterly along Barham Road to Twin Oaks Valley Road, thence southerly along Twin Oaks Valley Road and continuing southerly along an unimproved road passing through Sections 23, 26 and 27, T. 12 S., R. 3 W., S.B.B.&M., to Questhaven Road, thence easterly and southerly along Questhaven Road to Harmony Grove Road, thence southwesterly along Harmony Grove Road and its elongation to Escondido Creek, thence southwesterly along Escondido Creek to its intersection with the most northerly unnamed creek in Sections 10, T. 13 S., R. 3 W., S.B.B.&M., thence easterly along the unnamed creek passing through Sections 10, 11 and 12, T. 13 S, R. 3 W., S.B.B.&M., to the northerly elongation of Mount Israel Road near the southwest corner of the southeast ¼ of Section 1, T. 13 S., R. 3 W., S.B.B.&M., thence southerly and easterly along the elongation of Mount Israel Road and Mount Israel Road to Del Dios Highway (Valley Parkway), thence southerly along Del Dios Highway (Valley Parkway) to Rancho Drive, thence easterly along Rancho Drive and the easterly elongation of Rancho Drive to its intersection with the center of the channel of Lake Hodges, thence southerly and southwesterly along the center of the channel of Lake Hodges to its intersection with the center of the channel of San Diegito River, thence southerly, westerly, and southwesterly along the San Diegito River to Villa de la Valle, thence southerly, westerly and southerly along Villa de la Valle to the boundary common to the County of San Diego and the City of San Diego, thence southeasterly and easterly along the boundary common to the City of San Diego and the County of San Diego to County Road A38, thence generally easterly along County Road A38 to its continuation as Black Mountain Road, thence northeasterly and southerly along Black Mountain Road to Las Penasquitas Creek, thence easterly along Las Penasquitas Creek to U.S. Highway 395 (also known as Escondido Freeway), thence northerly along U.S. Highway 395 to Poway Road, thence northeasterly along Poway Road to Pomerado Road, thence northeasterly and northerly along Pomerado Road to Highland Valley Road, thence northeasterly and southeasterly along Highland Valley Road (coinciding in part with the north line of Section 8, T. 13 S., R. 2 W., S.B.B.&M.), to the unnamed stream in southwest ¼ of Section 10, T. 13 S.,

R. 1 W., S.B.B.&M., thence northerly along unnamed stream to Santa Maria Creek, thence northwesterly along Santa Maria Creek to Highland Valley Road, thence northeasterly along Highland Valley Road to State Route 78 near San Pasqual, thence generally easterly along State Route 78 to unnamed stream in Section 31, T. 12 S., R. 1 E., S.B.B.&M., thence northerly along unnamed stream to Santa Ysabel Creek, thence northeasterly and southeasterly along Santa Ysabel Creek passing through Sutherland Reservoir and continuing to Witch Creek in Section 26, T. 12 S., R. 2 E., S.B.B.&M., thence southeasterly and easterly along Witch Creek to Slaughterhouse Road in the southwest ¼ of Section 31, T. 12 S., R. 3 E., S.B.B.&M., thence southeasterly along Slaughterhouse Road to State Route 78, thence southwesterly along State Route 78 to West Side Road near the west line of Section 6, T. 13 S., R. 3 E., S.B.B.&M., thence southerly along West Side Road to Dye Canyon, thence southwesterly and southeasterly along Dye Canyon to San Diego River in Section 25, T. 13 S, R. 2 E., S.B.B.&M., thence southwesterly along San Diego River to State Route 67, thence southerly and southwesterly along State Route 67 to Riverford Road, thence northwesterly and northerly along Riverford Road and its northerly proposed extension to a point approximately ¼ mile north of El Nopal Road to a ridge line of hills situated between El Nopal Road and Oak Creek Drive, thence northwesterly, northerly along the ridge line to a peak (Elevation 1191—San Vicente Reservoir Quadrangle) situated appproximately 0.9 miles north 52° 45′, west from the intersection of Oak Creek Drive and Manzanita Road, thence southwesterly and westerly along an unnamed creek to Sycamore Canyon, thence due west to its intersection with the boundary of the City of San Diego as it existed on December 1, 1969 (approximately 0.4 miles south of the theoretical section corner common to Sections 4, 5, 8 and 9 T. 15 S., R. 1 W., S.B.B.&M.), thence southwesterly and westerly along the boundary of the City of San Diego to its intersection with an imaginary line at the coordinates x = 1,758,900 feet, y = 248,200 feet, California Coordinates System, Zone 6, thence due south on that imaginary line passing through the San Diego River to its intersection with the boundary of the City of San Diego near the Father Junipero Serra Trail, thence southwesterly and southeasterly along the boundary of the City of San Diego to its intersection with the west boundary of the City of El Cajon, thence southeasterly and southerly along the west boundary of the City of El Cajon to its intersection with the north boundary of the City of La Mesa, thence westerly and southwesterly along the north boundary of the City of La Mesa to State Route 8 (also known as Alvarado Canyon Freeway), thence westerly along State

Route 8 to Fairmont Avenue, thence southerly along Fairmont Avenue to Meade Avenue, thence easterly along Meade Avenue to Highland Avenue, thence northerly along Highland Avenue to Monroe Avenue, thence easterly along Monroe Avenue to Winon Avenue, thence southerly along Winon Avenue to El Cajon Boulevard, thence westerly along El Cajon Boulevard to Euclid Avenue, thence southerly along Euclid Avenue to University Avenue, thence westerly along University Avenue to State Route 805 (Inland Freeway), thence southeasterly along State Route 805 to State Route 15 (Escondido Freeway), thence southwesterly along State Route 15 to State Route 94 (Helix Freeway), thence southwesterly along State Route 94 to the southerly elongation of 34th Street, thence northerly along the southerly elongation of 34th Street and 34th Street to A Street, thence westerly along A Street and the westerly elongation of A Street to 28th Street, thence northerly along 28th Street and the easterly elongation of the southerly boundary of Balboa Park, thence westerly along the easterly elongation of the southerly boundary and the southerly boundary of Balboa Park to 11th Avenue, thence northerly along 11th Avenue to Ash Street, thence westerly along Ash Street to State Street, thence northerly along State Street to Date Street, thence easterly along Date Street to Front Street, thence northerly along Front Street to State Route 5 (San Diego Freeway), thence northwesterly along State Route 5 to Laurel Street, thence southwesterly along Laurel Street to Pacific Highway, thence northwesterly along Pacific Highway to Vine Street, thence northeasterly along Vine Street to India Street, thence northwesterly along India Street to Washington Street, thence southwesterly along Washington Street to India Street, thence northwesterly along India Street to Keating Street, thence northeasterly along Keating Street to Titus Street, thence northwesterly along Titus Street to Henry Street, thence southwesterly along Henry Street to California Street, thence northwesterly along California Street to Witherby Street, thence northeasterly along Witherby Street and its northeasterly elongation to the southeasterly elongation of Linwood Road, thence northwesterly along the southeasterly elongation of Linwood Road and Linwood Road to Harney Street, thence northeasterly along Harney Street to Juan Street, thence northwesterly along Juan Street to Twiggs Street, thence northeasterly along Twiggs Street to the southerly boundary of Presidio Park, thence northeasterly and northwesterly along the boundary of Presidio Park and its northwesterly elongation to Taylor Street, thence easterly along Taylor Street and Mission Valley South Canyon Wall to State Route 15 (also known as Cabrillo Freeway), thence northerly along State Route 15 to Genesee Avenue, thence

westerly and northwesterly along Genesee Avenue and its northwesterly elongation along the Canyon Bottom Fence Line to an unimproved road at the northerly boundary of Kearny Mesa Park, thence southwesterly along the unimproved road passing along the northerly boundary of Tecolote Canyon Golf Course to Tecolote Creek, thence southerly along Tecolote Creek to its intersection with an imaginary line in the unnamed Canyon at the coordinates x = 1,712,700 feet, y = 223,500 feet, California Coordinates System, Zone 6, thence southeasterly and southerly along the unnamed Canyon to Linda Vista Road, thence westerly along Linda Vista Road to Levi Canyon (in the vicinity of Coordinates x = 1,713,800 feet, y = 221,500 feet, California Coordinates System, Zone 6), thence southerly to Friars Road, thence westerly along Friars Road to Goshen Street, thence southerly along Goshen Street to Yuma Street, thence westerly along Yuma Street to Colusa Street, thence northerly along Colusa Street to Yuma Street, thence westerly along Yuma Street to Benicia Street, thence northerly along Benicia Street to Gaines Street, thence southwesterly along Gaines Street to the north bank of San Diego River Floodway, thence westerly along San Diego River Floodway to State Route 5, thence southerly along State Route 5 to the south bank of San Diego River Floodway, thence westerly along San Diego River Floodway to Midway Drive, thence southeasterly along Midway Drive to Rosecrans Street, thence southwesterly along Rosecrans Street to Nimitz Boulevard, thence southeasterly along Nimitz Boulevard and its southeasterly prolongation to its intersection with the boundary of the U.S. Naval Fleet Anti-submarine Warfare School near North Harbor Drive, thence westerly and southerly along the boundary of the U.S. Naval Fleet Anti-submarine Warfare School to the shoreline of San Diego Bay in Commercial Basin, thence southeasterly and northeasterly along the shoreline of San Diego Bay (including all wharfs and piers) to North Harbor Boulevard bridge spanning the channel between the U.S. Naval Training Station and the U.S. Marine Corps Base, thence easterly along North Harbor Boulevard bridge to the shoreline at its easterly terminus, thence generally southeasterly along the shoreline of San Diego Bay (circumscribing Harbor Island and including all wharfs and piers) to its intersection with the boundary common to the Cities of San Diego and National City as it existed on December 1, 1969, south of the intersection of Wabash Boulevard and Harbor Drive, thence westerly, and southeasterly along the boundary common to the Cities of San Diego and National City in San Diego Bay to its intersection with the shoreline of San Diego Bay, thence southwesterly along the shoreline of San Diego Bay to its intersection with

the boundary common to the Cities of Coronado and San Diego as it existed on December 1, 1969, thence southwesterly and westerly along the boundary of the City of Coronado to the shoreline of the Pacific Ocean at the north boundary of Imperial Beach, thence continuing westerly along the boundary of the City of Coronado to a point located three miles off-shore in the Pacific Ocean, thence continuing on a direct line from said point to the southern tip of Point Loma, thence generally northerly along the shoreline of the Pacific Ocean (including all wharfs and piers) to the point of beginning (at the intersection of the shoreline of the Pacific and the westerly elongation of the center of the channel of an unnamed creek (in the vicinity of "B" Street) in the unincorporated area of Encinitas in the County of San Diego), shall constitute the 39th Senatorial District.

30140. Imperial County and all that portion of the County of San Diego bounded and described as follows:

Beginning at the intersection of the boundary common to the Counties of San Diego and Imperial with the north line of Section 25, T. 17 S., R. 8 E., S.B.B.&M., thence westerly along the north line of Sections 25, 26, 27, 28, 29 and 30, T. 17 S., R. 8 E., S.B.B.&M. to the east line of Section 24, T. 17 S., R. 8 E., S.B.B.&M., thence northerly along the east line of Sections 24, 13, 12 and 1, T. 17 S., R. 7 E., S.B.B.&M., to the north line of Section 1, T. 17 S., R. 7 E., S.B.B.&M., thence westerly along the north line of Section 1, T. 17 S., R. 7 E., S.B.B.&M. to the west line of Section 36, T. 16 S., R. 7 E., S.B.B.&M., thence northerly along the west line of Sections 36, 25, 24, 13, 12 and 1, to the township line dividing T. 15 S. and T. 16 S., R. 6 E., S.B.B.&M., thence westerly along the township line dividing T. 15 S. and T. 16 S., R. 6 E., S.B.B.&M. to the east line of Section 35, T. 15 S., R. 6 E., S.B.B.&M., thence northerly along the east lines of Sections 35, 26, 23 and 14 to Canebrake Wash, thence southwesterly along Canebrake Wash across the "saddle" separating Canebrake Wash from Thing Valley located in Section 28, T. 15 S., R. 6 E., S.B.B.&M., to La Posta Creek, thence northwesterly along La Posta Creek to County Road Z 1336, thence westerly and southerly along County Road Z 1336 to County Road Z 1050 (also known as Desert View Road), thence northerly and westerly along County Road Z 1050 to the intersection of Laguna Mountain Road (also known as Sunrise Highway) (as shown on sheet number 521 of San Diego County Road System Maps prepared by the California Division of Highways), thence southwesterly along Laguna Mountain Road to the proposed State Route 8 (also known as Mission Freeway), thence westerly along proposed State Route 8 to Pine Valley Creek located in Section 34, T. 15 S., R. 4 E., S.B.B.&M., thence southwesterly along Pine Valley Creek to

the shoreline of Barrett Lake, thence westerly along the north shoreline of Barrett Lake to an unnamed stream in Section 4, T. 17 S., R. 3 E., S.B.B.&M., thence northwesterly along the unnamed stream to Skye Valley Truck Trail, thence northerly along Skye Valley Truck Trail to Japatul Lyons Valley Road (in the vicinity of the west line of Section 27, T. 16 S., R. 3 E., S.B.B.&M., thence westerly and northwesterly along Japatul Lyons Valley Road to Japatul Dehesa Road, thence northwesterly along Japatul Dehesa Road to the West Fork of Loveland Reservoir, thence southwesterly and westerly passing through the center of Loveland Reservoir to the Sweetwater River, thence southwesterly along the Sweetwater River passing through the middle of Sweetwater Reservoir to an unnamed stream at the north shoreline of Sweetwater Reservoir (just south of the intersection of Whitestone Road and Jamacha Boulevard), thence northerly along the unnamed stream to Jamacha Boulevard, thence northeasterly along Jamacha Boulevard to Sweetwater Springs Boulevard, thence northerly and northwesterly along Sweetwater Springs Boulevard to Campo Road, thence westerly along Campo Road and its elongation to Kenora Drive, thence southerly along Kenora Drive to Upland Street, thence westerly along Upland Street to Lamar Street, thence southerly along Lamar Street to Austin Drive, thence easterly along Austin Drive to Montemar Drive, thence southwesterly along Montemar Drive to Helix Street, thence northwesterly along Helix Street to Rosedale Drive, thence westerly along Rosedale Drive to Bancroft Drive, thence southerly along Bancroft Drive to Tyler Street, thence westerly along Tyler Street to Sweetwater Road, thence northerly along Sweetwater Road to Palm Street, thence westerly along Palm Street to Washington Street, thence southerly along Washington Street to Alton Drive, thence westerly along Alton Drive to Cypress Avenue, thence northerly along Cypress Avenue to Mt. Vernon Street, thence westerly along Mt. Vernon Street and its elongation to San Diego & Arizona Eastern Railway, thence northerly along San Diego & Arizona Eastern Railway to Cypress Street, thence northwesterly along Cypress Street to San Miguel Avenue, thence westerly along San Miguel Avenue to Broadway (also known as Federal Boulevard, thence northeasterly along Broadway to College Avenue, thence northwesterly along College Avenue to Livingston Street, thence northeasterly along Livingston Street to 69th Street, thence northerly along 69th Street to Waite Drive, thence westerly along Waite Drive to 69th Street, thence northerly along 69th Street to Celia Vista Drive, thence easterly along Celia Vista Drive to 69th Street, thence northerly along 69th Street to University Avenue, thence westerly along University Avenue to State Route 805

(also known as Inland Freeway), thence southeasterly along State Route 805 to State Route 15 (also known as Escondido Freeway), thence southwesterly along State Route 15 to State Route 94 (also known as Helix Freeway), thence southwesterly along State Route 94 to the southerly elongation of 34th Street, thence northerly along the southerly elongation of 34th Street and 34th Street to "A" Street, thence westerly along "A" Street and the westerly elongation of "A" Street to 28th Street, thence northerly along 28th Street to the easterly elongation of the southerly boundary of Balboa Park, thence westerly along the easterly elongation of the southerly boundary of Balboa Park and the southerly boundary of Balboa Park to 11th Avenue, thence northerly along 11th Avenue to Ash Street, thence westerly along Ash Street to State Street, thence northerly along State Street to Date Street, thence easterly along Date Street to Front Street, thence northerly along Front Street to State Route 5 (also known as the San Diego Freeway), thence northwesterly along State Route 5 to Laurel Street, thence southwesterly along Laurel Street to Pacific Highway, thence northwesterly along Pacific Highway to Vine Street, thence northeasterly along Vine Street to State Route 5 (also known as the San Diego Freeway) thence northwesterly along State Route 5 to Washington Street, thence northeasterly along Washington Street to India Street, thence northwesterly along India Street to Keating Street, thence northeasterly along Keating Street to Titus Street, thence northwesterly along Titus Street to Henry Street, thence southwesterly along Henry Street to California Street, thence northwesterly along California Street to Witherby Street, thence northeasterly along Witherby Street and its northeasterly elongation to the southeasterly elongation of Linwood Road, thence northwesterly along the southeasterly elongation of Linwood Road and Linwood Road to Harney Street, thence northeasterly along Harney Street to Juan Street, thence northwesterly along Juan Street to Twiggs Street, thence northeasterly along Twiggs Street to the southerly boundary of Presidio Park, thence northeasterly and northwesterly along the boundary of Presidio Park and its northwesterly elongation to Taylor Street,thence northeasterly along Taylor Street to Mission Valley South Canyon Wall, thence easterly along Mission Valley South Canyon Wall to State Route 15 (also known as Cabrillo Freeway), thence northerly along State Route 15 to Genesee Avenue, thence westerly and northwesterly along Genesee Avenue and its northwesterly elongation along the Canyon Bottom Fence Line to an unimproved road to the westerly extension of Artillery Drive at the northerly boundary of Kearny Mesa Park, thence southwesterly along the unimproved road passing along the

northerly boundary of Tecolote Canyon Golf Course to Tecolote Creek, thence southerly along Tecolote Creek to its intersection with an imaginary line in the unnamed canyon at the Coordinates x = 1,712,700 feet, y = 223,500 feet, California Coordinates System, Zone 6, thence southeasterly and southerly along the unnamed canyon to Linda Vista Road, thence westerly along Linda Vista Road to Levi Canyon (in the vicinity of Coordinates x = 1,713,800 feet, y = 221,500 feet, California Coordinates System, Zone 6), thence southerly along Levi Canyon to Friars Road, thence westerly along Friars Road to Goshen Street,thence southerly along Goshen Street to Yuma Street, thence westerly along Yuma Street to Colusa Street, thence northerly along Colusa Street to Yuma Street, thence westerly along Yuma Street to Benicia Street, thence northerly along Benicia Street to Gaines Street, thence southwesterly along Gaines Street and its southwesterly elongation to the north bank of the San Diego River Floodway, thence westerly along the north bank of the San Diego River Floodway to State Route 5, thence southerly along State Route 5 to the south bank of the San Diego River Floodway, thence westerly along the south bank of the San Diego River Floodway to Midway Drive, thence southeasterly along Midway Drive to Rosecrans Street, thence southwesterly along Rosecrans Street to Nimitz Boulevard, thence southeasterly along Nimitz Boulevard and its southeasterly prolongation to the boundary of the U.S. Naval Fleet Anti-Submarine Warfare School (in the vicinity of North Harbor Drive), thence westerly and southerly along the boundary of the U.S. Naval Fleet Anti-Submarine Warfare School to the shoreline of San Diego Bay in Commercial Basin, thence southeasterly and northeasterly along the shoreline of San Diego Bay (including all Wharfs and piers) to the North Harbor Boulevard bridge spanning the channel between the U.S. Naval Training Station and the U.S. Marine Corps Base, thence easterly along North Harbor Boulevard bridge to the shore line of San Diego Bay at its easterly terminus, thence generally southeasterly along the shoreline of San Diego (circumscribing Harbor Island and including all wharfs and piers) to the boundary common to the Cities of San Diego and National City (south of the intersection of Wabash Boulevard and Harbor Drive), thence westerly and southeasterly along the boundary common to the Cities of San Diego and National City (in San Diego Bay) to its intersection with the shoreline of San Diego Bay, thence southwesterly along the shoreline of San Diego Bay to the boundary common to the Cities of Coronado and San Diego thence southwesterly and westerly along the boundary of the City of Coronado to the shoreline of the Pacific Ocean at the north boundary of Imperial Beach, thence southerly along the

shoreline of the Pacific Ocean to the boundary common to Mexico and the County of San Diego, thence in a counter clockwise direction along the boundary of the County of San Diego to the north line of Section 25, T. 17 S., R. 8 E., S.B.B.&M. (along the boundary common to the Counties of San Diego and Imperial), the point of beginning, shall constitute the 40th Senatorial District.

Article 2. Nomination and Election of Senators

30150. (a) The multimember Senate districts encompassing the City and County of San Francisco, created by Chapter 3 of the Statutes of 1965, Second Extra Session, have been split in this act, and the term of the Senator presently representing the former 10th Senatorial District has been shortened to two years. The Legislature finds and declares that unless such action is taken, substantial inequality of representation will result during the period 1973–1975, in that both halves of the multimember district would continue to be represented by the Senator elected from the old even-numbered district in 1970, whereas the new odd-numbered district would also be represented by the Senator elected in 1972.

(b) For the reasons set forth in subdivision (a) of this section, the term of office of the Senator elected from the old 10th district in 1970 shall expire at 12 o'clock m., on the first Monday after the first day of January 1973; and one Senator shall be elected in the year 1972 in the new 10th district, whose term of office shall expire at 12 o'clock m., on the first Monday after the first day of January 1975, and one Senator shall be elected in the year 1972 in the new ninth district, whose term of office shall expire at 12 o'clock midnight on the first Monday after the first day of January 1977.

If any provision of this act establishing a legislative district, or the application thereof to any person or circumstance, is held invalid for any reason, such invalidity shall not affect any other provision of applications of this act which can be effected without the invalid provision or application, and to this end the provisions of this act are severable. It is further declared, in the event any such provision is held invalid, that the establishment of valid districts in lieu thereof is primarily a legislative function, and therefore, in such event, the duty of establishing such districts should rightfully be returned to the Legislature

RESOLUTION CHAPTER 4

Assembly Concurrent Resolution No. 7—Relative to final adjournment of the 1971 First Extraordinary Session of the Legislature.

[Filed with Secretary of State March 2, 1972]

Resolved by the Assembly of the State of California, the Senate thereof concurring, That the 1971 First Extraordinary Session of the Legislature of the State of California shall adjourn sine die on adjournment on Wednesday, March 1, 1972.

SUMMARY DIGEST OF STATUTES ENACTED

1971 FIRST EXTRAORDINARY SESSION

BILL CHAPTERS

Ch. 1 (AB 1) BAGLEY Amends, amends and renumbers, adds, repeals, various provisions, Civ.C., C.C.P., Ed.C., Elec.C., Gov.C., R. & T.C., U.I.C., W. & I.C., re taxation.

Extends date during which revenue anticipation notes may be issued and date on or before which such notes must be redeemed and paid.

Provides for payments of state funds to counties, cities and counties, and cities of $1.50 for each acre of prime agricultural land and 50 cents for each acre of other land assessed as open-space land within their jurisdiction, and for payments of lesser amounts to school districts encompassing land which is so assessed, but limits total state expenditures under the program.

Increases exemption for business inventories from 15 to 30 percent commencing on lien date in 1972; and eliminates specified amounts to be allocated to local governmental units for replacement revenues lost by reason of such exemption and provides instead for claim procedures by local government of actual losses as a result of the exemption. Provides for subventions to local government to compensate for revenues lost by reason of open-space assessments and allocates various amounts to various state agencies to administer the enactment.

Decreases the rates of the state's sales and use taxes from 3¾ to 3¼ percent for a period of one year, commencing January 1, 1975, but makes such decrease contingent upon certain allocations for capital outlay.

Adds an 11-percent bracket in schedule of rates under the Personal Income Tax Law, and revises taxation of capital gains to tax 100 percent of gain on property held for not more than 1 year, 65 percent on property held not more than 5 years, and 50 percent on property held more than 5 years. Eliminates $1,000 exclusion from gross income of military pay, except compensation for services on extended active duty. Initiates a system for the withholding of personal income taxes, commencing January 1, 1972. Reduces percentage depletion allowance with respect to oil and gas well from 27½ percent to 22 percent. Imposes a minimum tax of 2.5 percent on various types of incomes in excess of specified amounts otherwise not subject to personal income tax.

Revises generally Bank and Corporation Tax Law, including time of payment of estimated tax, and increases rate from 7 percent to 7.6 percent, increases minimum tax from $100 to $200. Makes similar change with respect to depletion allowances and imposition of minimum tax of 2.5 percent.

Revises Senior Citizens Property Tax Assistance Law formula of assistance based on amount of property tax and household income; deletes requirement that claimant submit proof of payment of property taxes prior to receiving assistance; increases amount of allowable household income from $10,000 to $20,000, and in the case of farmers from $20,000 to $30,000; reduces age requirement for claimants from 65 to 62; provides that special assessments qualify as property taxes for purposes of assistance; operative with respect to claims filed for assistance for the 1971 fiscal year and fiscal years thereafter.

Makes numerous related and conforming changes.

To take effect immediately, urgency statute.

Ch. 2 (AB 20) BAGLEY Amends, adds, repeals various provisions, Elec.C., Gov.C., R. & T.C., and U.I.C., re financing state government.

Makes changes in provisions contained in AB 1 of the 1971 First Extraordinary Session and declares purpose of such changes to facilitate the expeditious and smooth implementation of AB 1 (1st Ex. Sess.).

To take effect immediately, urgency statute.

Ch. 3 (AB 21) BURTON Amends Sec. 8823, Elec.C., re reapportionment.

[Increases elective membership of Democratic county central committee in a city and county from six members from each Assembly district to eight members from each Assembly district or portion thereof. Declares the necessity therefor

To take effect immediately, urgency statute.]**

RESOLUTION CHAPTERS

Res. Ch. 1 (ACR 1) WAXMAN Reapportionment.
Declares that it is essential that Assembly districts be reapportioned to meet the one man one vote principle. Reapportions Assembly districts.

Res. Ch. 2 (ACR 6) MORETTI Recess of Legislature.
[Recesses 1971 First Extraordinary Session on adjournment December 20, 1971, and reassembles Legislature on January 3, 1972, or such earlier date fixed jointly by Senate Rules Committee and Speaker.]**

Res. Ch. 3 (SCR 2) DYMALLY Reapportionment.
[Declares that it is essential that Senate districts be reapportioned to meet the one man one vote principle.
Designates Senate districts.]**

Res. Ch. 4 (ACR 7) FENTON Legislature
Adjourns 1971 First Extraordinary Session on Wednesday, March 1, 1972.

CROSS-REFERENCE TABLES

ASSEMBLY BILLS

Assembly Bill	Chapter
1	1
20	2
21	3

ASSEMBLY CONCURRENT RESOLUTIONS

Resolution	Chapter
1	1
6	2
7	4

SENATE CONCURRENT RESOLUTIONS

Resolution	Chapter
2	3

BILLS VETOED BY GOVERNOR

ASSEMBLY BILLS VETOED

12, 16

SENATE BILLS VETOED

2

STATUTORY RECORD

Sections affected by statutes enacted at the 1971 First Extraordinary Session are included in the 1969–1971 Statutory Record, beginning on page 321

INDEX

1971 FIRST EXTRAORDINARY SESSION

INDEX

1971 First Extraordinary Session

A

AGED PERSONS senior citizens property tax assistance, 1, 2

B

BANK AND CORPORATION TAX LAW: revision, 1
BUSINESS INVENTORIES property taxation revision, 1, 2

C

CITIES AND COUNTIES Democratic county central committee membership: increase, 3

E

EXTENSIONS OF TIME issuance, etc , of state of California notes, 1

I

INCOME TAX
personal income tax revision, 2
personal income tax withholding, etc , 1, 2

L

LEGISLATURE
adjournment sine die, *4*
reapportionment of assembly districts, *1*
reapportionment of senatorial districts, *3*
recess December 20, 1971, to January 3, 1972, *2*
LOCAL GOVERNMENTAL AGENCIES: revenues lost by reason of open-space assessments· claims, 1, 2

N

NOTES state of California notes: issuance and redemption extensions, 1

O

OCCUPANCY TAXES, 1
OIL AND GAS. depletion allowance revision, 1
OPEN-SPACE LANDS· subventions, 1, 2

P

PROPERTY TAXATION
exemptions business inventories revision, 1, 2
senior citizens property tax assistance revision, 1, 2

NOTE Citations are to chapter numbers, resolution chapters are indicated in italics

R

REAPPORTIONMENT
assembly districts, *1*
senatorial districts, *3*
RESOURCES AGENCY secretary open-space land assessments, 1, 2

S

SALES AND USE TAX· rate decrease, 1
SAN FRANCISCO, CITY AND COUNTY OF See CITIES AND COUNTIES
SHORT TITLES
Technical Correction Act to Assembly Bill No 1 of the 1971 First Extraordinary Session, 2
SUBVENTIONS open-space lands, 1, 2

T

TAXATION
bank and corporation tax law revision, 1
capital gains, 1
property taxation. See PROPERTY TAXATION
revision generally, 1, 2
TECHNICAL CORRECTION ACT TO ASSEMBLY BILL NO 1 OF THE 1971 FIRST EXTRAORDINARY SESSION, 2
TEMPORARY LEGISLATION
1972, legislation terminating in—
open-space lands local plans adoption, 2
state of California notes, issuance, etc , of, 1

4929—100 6-71 3 20(